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THE  
ECONOMIC SEMINARY  
1903-04

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## CONTENTS.

	PAGE.
THE ECONOMIC SEMINARY, 1903-04:	
Shop Rules of the International Typographical Union. By G. E. BARNETT,	3
Functions of the Knights of Labor, By WM. KIRK, - - - - -	8
The Factory Employment of Women and Children in Baltimore. By CHAS.	
F. RANFT, - - - - -	12
The Financial System of the Cigar Makers' International Union. By A. M.	
SAKOLSKI, - - - - -	15
Employers' Associations. By F. W. HILBERT, - - - - -	18
Apprenticeship in the Building Trades. By JAS. M. MOTLEY, - - -	23
Popular Government in the Cigar Makers. By T. W. GLOCKER, - - -	27
Shop Rules in the Baltimore Building Trades. By S. BLUM, - - - -	31
Origin of the Beneficiary Features of the Cigar Makers' International Union	
of America. By J. B. KENNEDY, - - - - -	34
Trade Unionism and Industrial Efficiency. By HENRY WHITE, - - -	38
The Theory of the Standard Rate. By W. H. BUCKLER, - - - -	41
Ricardo's Theory of Value. By J. H. HOLLANDER, - - - - -	45
The Evolution of Railway Rates. By L. G. MCPHERSON, - - - -	48
Legislative Regulation of the Oyster Industry in Maryland. By M. O.	
SHRIVER, JR., - - - - -	52



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THE ECONOMIC SEMINARY, 1903-1904.

Edited by ASSOCIATE PROFESSOR J. H. HOLLANDER.

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During the current academic year, the Economic Seminary has continued its investigation into the history, activities and influence of labor organizations in the United States. Its membership has been more narrowly limited to advanced students preparing for a scientific career in economic study, and its primary design has been the development of sound method in economic research. The regular fortnightly evening sessions have been supplemented by briefer morning sessions in alternate weeks. The material resources necessary for the inquiry have been supplied by the continued generosity of the citizen of Baltimore, whose original gift made its inception possible.

"A Trial Bibliography of American Trade Union Publications," in the preparation of which the Seminary has been engaged since October, 1902, has been completed and issued as a brochure of 110 pages under the editorship of Dr. Barnett, in the *Johns Hopkins Studies in Historical and Political Science* (January-February, 1904). Appreciable progress has also been made by individual members of the Seminary in the study of specific aspects of the several questions assigned for investigation. During the summer, field work was carried on in various carefully selected localities, and the data thus collected have since been supplemented and corrected by documentary study and personal interview. It is hoped that during the next academic year, a cooperative volume of studies in American trade unionism can be

issued by the Seminary, embodying the preliminary results of the various investigation now in progress and ultimately designed for monographic publication.

The record of the proceedings of the Seminary, and abstracts of certain of the papers there presented, are appended :

- |          |     |   |
|----------|-----|---|
| October  | 14. | Reports of the summer's field work, by Associate Prof. HOLLANDER, Dr. BARNETT, Messrs. HILBERT, KIRK, MOTLEY, RANFT and SAKOLSKI.   |
| October  | 20. | "Collections of American Trade Union Publications," by Dr. GEORGE E. BARNETT.   |
| October  | 28. | "Shop Rules of the International Typographical Union," by Dr. GEORGE E. BARNETT.  |
| November | 3.  | "Opportunities for Social Work in Baltimore," by Dr. WALTER S. UFFORD, General Secretary of the Charity Organization Society of Baltimore.  |
| November | 11. | "The Development of the Knights of Labor Movement," by WILLIAM KIRK.  |
| November | 17. | "The Condition of Women and Children in the Factories of Baltimore," by CHARLES F. RANFT.   |
| November | 23. | "The Finances of Representative Trade Unions," by A. M. SAKOLSKI.   |
| December | 1.  | Plan of a monographic study of "The Printing Trade," by Dr. GEORGE E. BARNETT.  |
| December | 8.  | "Employers' Associations in the United States," by F. W. HILBERT.   |
| December | 15. | Reports on local labor conditions, by Messrs. BLUM, HILBERT and MOTLEY.   |
| January  | 6.  | (a) "The Apprentice in the Building Trades," by J. M. MOTLEY.<br>(b) "The Future of the Trusts," by L. G. MCPHERSON.  |
| January  | 12. | (a) Preface to "A Trial Bibliography of American Trade Union Publications," by Dr. GEORGE E. BARNETT.<br>(b) The New Orleans meeting of the Economic Association, by Associate Professor HOLLANDER. |
| January  | 20. | "The Structure of the International Cigar Makers' Union," by T. W. GLOCKER.   |
| January  | 26. | "Evolution of Railroad Rates," by L. G. MCPHERSON.  |
| February | 3.  | "Shop Rules in the Building Trades," by S. BLUM.  |
| February | 17. | (a) "Beneficiary Features of the Cigar Makers' International Union," by J. B. KENNEDY.<br>(b) "High License in Baltimore," by H. S. HANNA.  |
| February | 23. | A review of recent French and German works on Sociology, by W. H. BUCKLER.  |

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|-------|-----|---|
| March | 2.  | "The Beneficiary Departments of Transportation and Mining Corporations," by L. G. MCPHERSON.                                |
| March | 8.  | "Oyster Legislation in Maryland," by M. O. SHRIVER, Jr.   |
| March | 16. | "The Theory of a Standard Rate of Wages," by WILLIAM H. BUCKLER.  |
| March | 22. | "Labor Unionism and Industrial Efficiency," by Mr. HENRY WHITE, General Secretary of the United Garment Workers of America. |
| March | 28. | "A Comparison of the Functions of the Knights of Labor and the American Federation of Labor," by WILLIAM KIRK.              |
| April | 12. | Plan of a monographic study of "The Structure of American Trade Unions," by T. W. GLOCKER.                                  |
| April | 13. | "The Cost of Strikes to Trade Unions," by A. M. SAKOLSKI.   |
| April | 19. | Plan of a monographic study of "The Shop Regulations of American Trade Unions," by S. BLUM.                                 |
| April | 27. | "Trade Agreements in the Iron Molders' Union," by F. W. HILBERT.  |
| May   | 3.  | Plan of a monographic study of "The Beneficiary Features of American Trade Unions," by J. B. KENNEDY.                       |
| May   | 11. | "Trade Union Membership in the Building Trades," by J. M. MOTLEY.   |
| May   | 17. | Plan of a monographic study of "Trade Unionism and the Standard Wage," by W. H. BUCKLER.                                    |
| May   | 25. | "Collective Bargaining in the Printing Trade," by DR. GEORGE E. BARNETT.  |

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## SHOP RULES OF THE INTERNATIONAL TYPOGRAPHICAL UNION.

BY DR. GEORGE E. BARNETT.

Aside from the regulations governing apprenticeship, the chief shop rules enforced in "union offices" by the International Typographical Union fall into four classes: (a) rules designed to secure the distribution of work; (b) rules affecting tenure of position; (c) rules intended to prevent a decrease in the amount of work to be done; (d) the requirement that the foreman shall be a member of the union.

(a) Rules intended to promote the distribution of work.

Among trade unionists, the feeling that work ought to be shared all around is a common one. This feeling has its basis partly in humanitarian instincts and partly in the recognition of the fact that the unionist without work is a menace to the maintenance of the union rate of wages. It is an old saying among the printers that "The man on the streets maintains the scale." Many labor organizations have met this problem by the payment of out-of-work benefits. The national organization of the printers has never adopted this plan but has relied on the actions of individual members to obtain the same result through a direct sharing of work, a far more primitive device. The laws of the union intended to secure this end are known in the trade as the "substitute law" and the "six day law." The former enacted in 1883, is intended to prohibit such action on the part of foremen as would make it impossible for workmen holding "situations" to share their work with less fortunate unionists. The law makes it illegal for a foreman to designate any particular men who shall have an exclusive right to act as substitutes for "regulars." It is thus made possible for "regulars" to distribute work more widely than would otherwise be the case. A feeling that a fellow unionist out of work has a moral right to assistance in this form has long been a part of the working creed of the union printer. The "substitute law" caused no serious inconvenience to the foreman as long as the system of hand composition was universal. Work was commonly paid for by the piece system and the amount of capital used by the journeyman in his work was so small that a considerable difference in the quantity of the output between a "regular" and his substitute made little difference to the foreman. His remedy was to put an extra man at work. The coming of the machine has resulted in making the substitute legislation a cause of considerable friction. Since the employee now uses a costly machine, the employer is desirous of economizing as much as possible the number of machines, and the inferiority of the substitute may cause serious difficulty in getting the work done on time. The result has been that in the larger cities, the local unions have been forced to wink at evasions of the national law.



The "six day law" enacted in 1890 forbids a printer's working more than six days a week, *i. e.*, fifty-four hours, if a substitute can be secured. The primary purpose of the law is not to prevent the overworking of the men by securing a day of rest but to give within certain limits legal force to the custom of sharing work. In 1899, a proposition to limit the working week to five days was defeated at the referendum, but many locals enacted "five day laws" during the trying period following the introduction of the linotype. While the "substitute law" and the "six day law" apply nominally to all "union offices," such rules from their nature are important only in newspaper offices.

(b) Rules affecting tenure of position. All trade unionists in order to protect the integrity of their organizations are forced to insist rigidly that members of the unions shall not be discharged by foremen on account of their connection with the union. The International Typographical Union, going much farther, requires in broad terms that a member working in a union shop shall only be discharged for incompetency, neglect of duty, violation of conspicuously posted office rules, or finally, to decrease the force. Where a reduction in the force is made, persons last employed must be the first to be discharged. Additional provisions prevent sham decreases of the force by requiring that "in the event of an increase in the force within sixty days after a decrease, the persons displaced shall be reinstated in the order in which they were discharged before other help may be employed." The evident purpose of this legislation is to make tenure of position independent of the mere will of the foreman or employer. The "priority law," as the legislation described above is known among the members of the Union, has been in force with a short intermission since 1892. In the last resort, questions of competency, neglect of duty, and violation of rules may be determined by the union. The views of men and employers on these questions are likely to differ; but up to the present time there seems reason to believe that the printers generally have refrained from an arbitrary construction of the law, although in some cases a dangerous tendency to infringe upon undoubted rights of employers has revealed itself. The attempt to set up a form of

civil service tenure in the printing trade is an experiment in the modification of the ordinary wage-contract which requires for its successful carrying out, a high degree of forbearance and wisdom on the part of subordinate unions and of national officials. The danger is always present that the "priority law" may be interpreted in such a way as to become a shield for incompetents.

(c) Rules intended to prevent a decrease in the amount of work. Two important labor-saving devices introduced in the printing trade during recent years have been met by the Union with rules intended to limit their use. The increasing substitution of "plate matter" for composition attracted the attention of the Union as early as 1884. The loose structure of the international organization at that time prevented any united action, and the whole subject was by an international law "relegated to subordinate unions with power to act." The local unions, unable to prevent entirely the use of "plates" were usually successful in securing an agreement with newspaper publishers that the amount of composition required should not thereby be reduced. Curiously enough the extensive practice of using "plates" for advertising matter has not been the occasion of restrictive legislation on the part of the subordinate unions. The introduction of the linotype by cheapening composition has materially lessened or entirely overcome the superior economy of "plates," and proportionally decreased the importance of the "plate question."

For many years, the international organization has urged the local unions "to put forth every effort to abolish the practice of loaning and borrowing matter between morning and evening papers except where owned by the same individual firm or company and published in the same establishment." With the introduction of stereotyping, the loaning of matter in the form of "matrices" between two morning or two evening papers became practicable. This is also forbidden by the laws of nearly all the larger unions. The competition between newspapers would probably prevent in any case any large amount of such borrowing, but it frequently happens from lack of time for composition, the advertising "matrices" are exchanged. The local unions usually permit such exchanges only on condition that the matter be

“reproduced.” As a result of this rule, “admen” are frequently engaged in setting up matter which has already been published.

(d) The requirement that the foreman shall be a member of the union. The foreman in any industrial establishment occupies an intermediate position between the employer and the journeymen. The Typographical Union by a series of rules has required that foreman shall have sole charge of the employment and discharge of journeymen. Theoretically an employer once having selected his foreman has no further concern with matters in his “office.” He may discharge the foreman at his pleasure but he cannot interfere with him while he is a foreman. Evidently the enforcement of all shop rules depends in the first instance upon the foreman. Recognizing this fact the Union by an international law has required that foremen shall be members of the Union. The claim is made that under union foremen there is far less friction between journeymen and employer. On the other side, the employers, especially the book and job printers, have strenuously protested against the rule, maintaining that the foreman is in a peculiar sense the representative of the employer and that he should not be liable to union discipline. Up to the present time the union has rigidly maintained its rule. The “foreman question” is the real center of the whole controversy over shop rules.

Shop rules are as much elements in the wage contract as the rate of wages or the length of the working day. In the earliest stage of collective bargaining in the printing trade, the local union formulated a scale and presented it to employers for approval. The preparation of scales in the more highly organized localities has now become the work of joint committees. Shop rules, to be effective, must be enforced through the whole jurisdiction of the Union, and the formulation of these rules, if they follow the same line of evolution which the determination of other parts of the wage contract has taken, will become the work of boards representing the International Typographical Union and the national organizations of the employers. There is evidence that we are now passing through the initial stage in that evolution. The Typographical Union cannot consistently with its past history

long maintain the position that "the laws of the Union are not subject to arbitration."

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## FUNCTIONS OF THE KNIGHTS OF LABOR.

BY WILLIAM KIRK.

A study of the early writings of the men who moulded the Knights of Labor as an institution, reveals three prominent aims: the dissemination of knowledge among its members, the establishment of coöperative enterprises, and the intelligent use of the ballot as an agency in political and social reform.

Trade unionism was by its very nature limited in usefulness. Where men of a single craft held aloof from members of other trades, the sympathy and concord so vital to any decisive advance in the labor movement were lacking. On the other hand, an organization representing a highly centralized form of labor federation, and disregarding the trade boundaries formerly observed, was well prepared theoretically to unite the scattered fragments and attain definite and far-reaching ends.

The mixed assembly, the unit in the Knights of Labor structure, became something more than a trade union, exercising an educational influence by the intimate association of men of various callings and widely different walks of life. Furthermore, this unit admirably met the requirements for successful coöperation by controlling demand as well as production. If a trade local embarked on a coöperative enterprise, the chances of success were minimized by virtue of the limited number directly concerned; but when a mixed local, in a community organized into Knights of Labor Assemblies, ventured on independent production, the combined patronage of the artisan class enlisted in its behalf assured a market. As the local became the factory, the district or union of neighboring locals developed into the exchange.

During the interval in which these ideas were maturing, the distinctive structure of the locals was utilized to meet immediate conditions. The same power that could control the distribution



of coöperative products was equally efficient in the field of general consumption, bringing into active use a formidable weapon, the boycott. Strikes were discouraged by the officials of the Knights, as failing to penetrate the heart of the trouble and inducing at best temporary and superficial results. The boycott, though designed as a temporary expedient, reached more deeply and without involving the reciprocal suffering attendant upon all strikes. In the exercise of this function, the federated form of organization enjoyed a peculiar advantage. A trade union in any locality may cease purchasing an article without appreciably reducing the sale, since the number of consumers observing the boycott is necessarily small; but an assembly of the Knights of Labor, supported by a large proportion of laboring consumers in the vicinity, wields an influence proportioned to the purchasing power of the members interested.

The third principle underlying the movement and consciously shaping the machinery of government was the concerted use of the ballot as a factor in social progress. Here again, the advantages of an organization coextensive with the domain of labor were conspicuous. Trade unionists in their respective fields were too weak numerically to change the result of an election, while the members of the Knights of Labor pledged to mutual helpfulness controlled the issues at stake.

From this mechanism so well adapted theoretically for the exercise of certain functions, permanent and wholesome results seemed probable. At the second session of the General Assembly, the following resolution was adopted, "Each Local Assembly shall devote not less than ten minutes or more than one hour of each session thereof, to the discussion of subjects bearing upon the labor question." Here was a practical effort to suggest fruitful lines of thought, and bring the man into more intelligent relationship with the problems of his environment.

In May 1880, appeared the first number of the "Journal of United Labor" primarily designed as a medium of communication between the branches of the Order, and as an unprejudiced herald of advanced views. Unable to maintain the independence of a non-partisan publication, it gradually grew more biased as the

struggle with external forces became more bitter, until the original purpose of an educational organ almost wholly disappeared.

Other agencies employed in the diffusion of knowledge were lecturers, who visited the assemblies and addressed them upon contemporary topics, and statisticians, who gathered all possible information relative to the condition of labor throughout the Order. The latter department proved valuable as an index for guiding the activities of the executive authority.

Education, though an end in itself, was also a means whereby a system could be inaugurated in which men would become their own employers. Two schools of thought early differentiated themselves. The one advocated an aggressive policy of strikes in order to enforce demands; the other, representing the conservative element, emphasized the futility of strikes as a factor in attaining permanent results. It was due to the influence of the peace adherents that coöperation found persistent encouragement. In June, 1882, a coöperative fund, with a compulsory feature attached, was established. From this fund investments were made, and enterprises started as the financial condition of the Order justified. The compulsory nature of the law proved a serious defect and led to an amendment making contributions voluntary.

With modified machinery, the officials sought to realize in some degree at least the industrial state conceived as an ultimate aim of the movement. Experiments in coöperative stores, factories, and institutions, were reported in 1882 from seventeen out of one hundred localities; and in 1887 the General Coöperative Board announced eight halls and buildings, one newspaper, and fifty-four workshops, factories, etc., engaged in productive coöperation.

In spite of careful preparation, the general result of such ventures was disappointing, leading to a desire to abolish the Coöperative Board, and to decided reluctance to embark on independent undertakings. Among the chief causes of failure was the lack of business experience in the management of the enterprises. Often such an enterprise originated in a strike or lockout, where men entered upon the project with funds drawn from the central

treasury. Just as soon as the friction ceased, and the choice arose between a certain position and a risky venture, the enthusiasm, so apparent at first, suddenly abated, invariably bringing a total loss upon the General Assembly. The small confidence imposed in the managers, engendering jealousies and constant suspicion, and the hostility encountered on all sides from capitalistic combinations, may be cited as important influences.

With the advent of the Knights of Labor, the belief that labor must carry its demands beyond the workshop, and crystallize into statute law definite reforms received greater attention than ever before. From 1880 to 1885, the intense interest manifested in political affairs occasioned a note of warning from headquarters "so surely as we run into politics shall we be disrupted." The admonition remained unheeded, and in the national campaign of 1888 the Order was on the verge of precipitating itself into the contest. In many localities the secret but powerful constituency of the Knights of Labor had elected labor candidates. So successfully had these municipal elections resulted that the members became ambitious for greater victories. A party in which all legitimate reformers could find a place appeared a fitting substitute for the two corrupt, boss-ridden political organizations. Hence in 1890 a further step was taken, and active agitation by the leaders stimulated a wave of enthusiasm which finally resulted in the formation of the National People's Party, with "land, transportation, and finance" as the campaign cry.

Pledged in this manner to political action, the federation dissipated much of its energies in vain effort to make industrial forces politically supreme, and thereby caused the internal dissensions which have so often attended the political affiliation of labor organizations.

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THE FACTORY EMPLOYMENT OF WOMEN AND  
CHILDREN IN BALTIMORE.

BY CHARLES F. RANFT.

The characteristics, environment and general conditions of factory life of women and children in Baltimore City have never been made the subjects of a detailed inquiry. It was with the desire of correctly understanding this field of industrial life, that a local investigation was undertaken by the writer under the auspices of the Consumers' League of Maryland and with the coöperation of the Bureau of Statistics and Information of Maryland.

The investigation occupied a period of nearly three months, covering in that time, one hundred and four factories and dwellings in which were manufactured the following articles: ladies waists, children's and misses' wear, corsets, ladies skirts, cigars, cigarettes and smoking tobacco, shirts and drawers, shirts and overalls, shoes, umbrellas and ladies wrappers.

The plan of inquiry comprised (1) a tabulation of the various statistical data indicated on the card specially prepared for factory inspection by the Maryland Bureau of Statistics. The points covered by the schedule used were: relation of the general factory system to Maryland factory legislation, condition of female employees and character of their work, length of the working day, wage earnings, sanitary regulations and conveniences, together with the environment and general tone of this phase of factory life; (2) direct observation and examination of conditions, and collection of data by personal interview with employers and employee. Each room in each factory and dwelling was examined separately and described in a separate record, noting the characteristics of that room and the working force.

In addition to the investigation proper, a supplementary investigation was undertaken of the coat pad industry, as an example of average conditions of child employment. The regular inspection detail was recorded, the employer was questioned, and in particular, each child was examined as to age, residence,



occupation of father and mother, school and grade in school, reading and writing qualifications, wage earnings, length of time at work and the general attitude of the child toward the work and environment. About seventy-five children were interrogated and the homes of fifteen children were visited in order to obtain if possible a correct realization of the condition of both home and factory life.

In addition to these inquiries a certain amount of time was devoted to visiting representative types of the sweat shop industry, for the purpose of securing a proper basis of judgment in contrasting good and bad conditions of employment.

A synopsis of some of the more important results of the investigation are as follows: In the one hundred and four establishments examined 10,854 people are employed, of whom 9012 are females and 1842 are males. Three-fourths of the proprietors are citizens of the United States.

Piece-work is the general system of payment. Of three hundred and nine workrooms, twelve have insufficient air space, only three disclose unclean conditions, twenty-six have fair, and nine have absolutely bad ventilation. Drainage is good in all factories. One half of the factories provide washrooms for females.

Twelve factories provide lunch rooms; sixteen factories have no separate toilet arrangements for women, and in a number of cases there appear to be too few toilet conveniences for the number of people employed. Twelve factories impose fines, which are for the most part disciplinary and seldom collected. Only one factory allows a summer vacation of one week with pay. More than one-half have overtime work and only seven pay such work at a higher rate. Forty-nine factories have goods made elsewhere than on the premises.

Ten work-rooms have insufficient means of egress in case of fire. Seventy males and five hundred and seventy-five females under sixteen years of age are employed. The average working day is about nine and one-half hours; one factory requires ten and one-half hours per day. A half hour is the average lunch time allowed.

Seventy-one factories allow a half-holiday on Saturday in summer; forty-one allow a Saturday half-holiday in winter, seven have no Saturday working day whatever, and eight a Saturday working day only in winter. The general sanitary conditions throughout all the factories are good.

The general impression derived from the investigation was that Baltimore is an important centre for manufacturing industries requiring the labor of women and children. In the shirt and overall industries its importance is already recognized, and in the other industries investigated, the growth during the last few years has been important. With this growth has come an increasing demand for female labor, and the supply at present is inadequate to the demand. This fact combined with the ease with which female labor can move in these related industries places the female employee in an independent attitude. These conditions are conceded by the great majority of manufacturers, and the effect upon the condition of the employee is beneficial. In various ways the different employers offer inducements to attract employees to their establishment, and in the case of growing establishments managerial ability and constant care are needed to procure and keep an adequate labor supply. The demand and inducements offered vary in direct ratio to the skill and intelligence of the employee, yet for all classes of manufacture the demand seems much greater than the supply. In many factories the employers regard their working force in an almost paternal manner, conscious of present conditions in the labor market and endeavoring to gain superior fidelity.

It should be understood that the body of female factory employees falls into grades or classes, according to the amount of skill and energy required and the susceptibility of the work to high efficiency and technique. The higher class of employees refuse to work in a bad environment and are able to secure good surroundings; while the middle and lower classes are satisfied with the indifferent conditions offered them. In those grades of work therefore where competition acts more keenly, small struggling enterprises offer less favorable conditions. To these unfavorable conditions is drawn that class of female labor whose

standard of life is only average, and in many cases even low. Development and progress in factory life is a matter of no great concern to this class, and the factory is regarded only as the place to earn an amount of money necessary to satisfy certain desires.

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### THE FINANCIAL SYSTEM OF THE CIGAR MAKERS' INTERNATIONAL UNION.

BY A. M. SAKOLSKI.

The reorganization of the Cigar Makers' International Union, which took place in 1879, laid the basis of its present well developed and efficient financial system. Prior to that time, the organization, although in existence fifteen years, had made very little progress toward the improvement of its finances, and in this respect was no better off than other national trade unions. The meagre revenue that it received from the low per capita tax levied upon the local unions, was barely sufficient to meet the limited expenditures of the general office, whose principal item of expense at this time was printing and postage. The entire receipts rarely, if ever, exceeded one hundred dollars per month, and the international president often found himself without funds to perform the duties required of him. The financial aid, granted to members on a strike, by the international union could only be raised by special assessments levied upon the locals for this purpose. The returns from these assessments, however, were usually so uncertain in amount and so difficult of collection, that the local unions conducting strikes were often compelled to rely upon their own financial strength for support. These conditions naturally prevented the Cigar Makers' International Union from acquiring the degree of stability and power necessary for growth and effectiveness.

In 1879, when the union seemed to be on the verge of collapse, Mr. Adolph Strasser, its new president, proposed a plan of reorganization, the aim of which was to increase the revenue and extend the functions of the international office. The basis of this

new system,—which is now known as the “nationalization and equalization system”—is the requirement of uniform dues and initiation fees from members throughout the entire organization, and the equalization of the funds among the local bodies. There arose from this practice an entire community of funds, since all revenues regularly accruing were regarded as the property of the international union and were simply held in trust by the locals. Thus, the effect of the system was to do away with the independent treasuries formerly maintained by the locals. It also resulted in the abolition of the old per capita tax, levied for the expenses of the general office of the international union. The international president with the consent of the executive board of the union may now draw upon the funds in any local unions he may select, in order to meet the expenditures incurred by the headquarters of the general organization.

It follows from the above arrangement that no local can refuse financial assistance to another when ordered to do so by the general officials. Neither can any particular one, because of a less strain upon its income, enjoy an advantage over the others for any length of time. By the process of equalization, carried out at certain intervals, each shares alike in the fortunes or misfortunes of the others.

The successful working of this system requires, necessarily, a limitation upon expenditures for local purposes which must vary according to the number of members composing each local. Thus, unions having a membership less than thirty may expend for local purposes, as much as thirty per cent. of their gross receipts while those whose membership ranges from thirty to fifty and from fifty upwards are limited to twenty-five per cent. and fifteen per cent., respectively. If a local union happens to expend more than its legitimate portion or draws upon the surplus fund in its possession without official sanction, it must assess its membership to make up the deficiency. Failure to do so, renders it liable to suspension from the international organization.

As may readily be inferred, the system also requires a thorough and constant supervision over the officers of the local unions and frequent examination into their accounts. Provision was early



made that the secretaries of the locals should report all fiscal transactions at regular intervals to the international headquarters, and that accounts with the latter should be traced by a system of stamp receipts. Further provisions for audit were later adopted. In 1888, the employment of two examiners, known as "Financiers" was authorized, whose duty it became to visit the various locals for the purpose of inspecting their accounts. These officers report their findings to the international president, who republishes the same in the official journal of the Union. With these safeguards, notwithstanding the fact that the amount of money passing through the hands of the local secretaries is about one million dollars annually, and that the fund held in trust by the locals is sometimes equal to half that sum, there has not been lost, on an average, more than two hundred dollars a year.

This manner of handling the funds in the Cigar Makers' International Union, although common among British trades unions is comparatively little known among labor organizations in the United States. The fact that it greatly impairs the autonomy of the local unions and gives the general officers increased duties and greater powers has prevented it to a certain extent from gaining much favor among American organized laborers, despite its many advantages. Its adoption by the Cigar Makers, however, resulted in immediate good to their organization, both in membership and in financial resources. Besides extending gradually its system of benefits, the Union has maintained itself intact, through numerous conflicts and severe industrial depressions. Its success, along these lines, has frequently induced leaders in other trade unions, to endeavor to inaugurate similar financial systems in their respective organizations.

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## EMPLOYERS' ASSOCIATIONS.

BY F. W. HILBERT.

A recent development of the labor movement is the large number of employers' associations formed for the purpose of dealing collectively with labor. These are generally militant in nature, though some are notably conciliatory. They may be classified into :

I. Trade Associations: 1. Local. 2. National. These limit membership to a particular trade or business.

II. Mixed Associations: 1. Local. 2. National. These have members from any trade or business. The Locals may be again divided into (*a*) those which limit membership to employers, (*b*) those which do not so limit membership.

III. Federated Associations: 1. Local. 2. National. Each of these may be divided into (*a*) federations of closely allied trades, (*b*) federations of various trades and businesses.

I. 1. Employers in a single industry have in many cases been organized for years into associations for various purposes. Sometimes they dealt as a body with labor unions, but members could make agreements with employees independently of the association, and in the case of strike the weaker member could not expect the support of the stronger member or of the association. This class is most conspicuous in the building trades. In Chicago, for instance, the Carpenters and Builders' Association has been making joint agreements with the carpenters for about twenty years. As the union became more exacting, the master carpenters began to create a defense fund, and to centralize the power of the association in the hands of a standing committee of five with full power to settle all labor disputes.

Another body that may be classed under this head because of the localized character of the industry, although of almost territorial extent, is the Illinois Coal Operators' Association. It is eminently conciliatory, and was organized "to negotiate and make effective agreements with labor unions, fixing the wages

and conditions of employment in and about the coal mines of Illinois." It held together rather loosely until its reorganization in 1901 when each member was obligated "to maintain and observe contracts and agreements entered into by the association." It has no defense fund and is unincorporated. It puts its faith largely in the power of public opinion to compel the miners to abide by their agreements. Through its example state associations have been formed in Ohio, Indiana and Pennsylvania, and representatives from all these meet representatives of the Mine Workers' Union annually to negotiate what is called the Inter-State Agreement. There is however no organic relation among these state associations.

I. 2. The Stove Founders' Defense Association, formed in 1886, was the first effective militant association, and it has served as a model for nearly all of that type since then. The initiation fees and annual dues were set aside for ordinary expenses. A defense fund was created by each member contributing ten cents per month for each moulder employed. Complete control over this fund was vested in a committee, to which were referred all labor difficulties. In case the union went on strike, the employer was defended (1) by casting such work as he might require at the foundries of other members, (2) by securing other moulders to work in his own shop, (3) by compensating him for loss up to \$2 per day for each man usually employed. All necessary police protection and legal expenses were paid from the defense fund. By such means, the Association fought the Iron Moulders' Union until 1891, when at the request of the National Union, an agreement was made whereby a joint board was created to settle all disputes by conciliation. The agreement has not yet been violated either by the Union or by the Defense Association, although the conference board has settled more than two hundred and fifty disputes.

The National Founders' Association, organized in 1898, has a similar agreement with the Iron Moulders' Union.

The National Metal Trades' Association was projected by members of the Founders' Association whose manufacturing plants included other metal industries. A national agreement was made

with the Machinists' Union for the year 1900-01, but at its expiration the Union went on a general strike. Since then agreements have been only local in character, although overtures for a national agreement have since been made by the machinists.

The American Newspaper Publishers' Association, a conciliatory body of rather loose texture, has a general arbitration agreement with the International Typographical Union.

II. 1. (a). The Employers' Association of Dayton, Ohio, is one of the most aggressive and influential of this type. Formed in 1900 with thirty-eight members from all lines of business, it has now about three hundred. The structure is similar to that of the Stove Founders' Defense Association. Defense contributions are three cents per man employed per month. All labor difficulties are handled by a committee of five. In order to meet the policy of labor unions to make demands upon the weakest employer first, the association has taken in several when threatened by strikes. It has organized among its trusted employees a union called The Modern Order of Bees. Through the influence of the Dayton Association upwards of sixty similar associations have been formed in different cities. Of these the one in Columbus, Ind., has recently adopted a form of individual agreement with employees.

II. 1. (b). This type of association is represented by the Citizens' Alliance. The only qualification for membership is that "the applicant be not a member of any labor organization which resorts to boycotting or any form of coercion or unlawful force." Employers generally consider such an organization more effective than a strictly limited employers' association in meeting the excesses of unionism in particular localities. In some places, as for instance, Columbus, Ind., there exist both an Employers' Association and a Citizens' Alliance. Many employers are members of both, and they induce their trusted employees to join the latter organization.

II. 2. The single example of the national mixed type is the American Anti-Boycott Association. It is a secret organization composed of manufacturers most of whom are members of other employers' associations. Funds for aggressive action are obtained

from monthly dues of one-tenth of one per cent. of the monthly pay-rolls of its members. Its purpose is to fight by legal means the boycott of labor unions, and to secure statutory enactments against the boycott. Alabama is the only state thus far to pass such a law. The energies of the Association are now mainly directed to taking certain typical cases to the federal courts in order thereby to create legal precedents.

III. 1. (a). The local employers' associations in the building trades were probably the first to federate. In some cases they were merely associated together in a contest with the local federated unions. In other cases special organizations were formed, as in Chicago. There the fifteen associations of contractors formed in 1900 the Building Contractors' Council. Annual dues were paid by each association and a defense fund was maintained by assessment. The executive committee was given full power, and after a memorable lock-out it succeeded in dictating the terms of the resulting agreements with the different unions. In 1903 a similar federation was formed in New York with even more centralized power. The individual employers are bonded and a more satisfactory form of agreement with the union has been developed.

III. 1. (b). The Chicago Employers' Association is a local federation of considerable power. It is composed of about forty distinct trades or businesses, each with its own separate body. Members are pledged to assist one another in labor troubles and to stand for the principles of the Association. It has obtained, by the assistance of experts, statistics on the variations in the local cost of living as a basis on which to claim readjustment of wages. Its methods of combating the unions are similar to those already mentioned.

III. 2. (a). At the close of 1903 there were formed two national federated associations. The National Building Trades Employers' Association started with one hundred and thirty-six associations in forty-six cities. These associations are federated locally like the Chicago and New York Councils, and local conditions determine wages and hours of labor, although there is a sentiment for uniformity in this respect, and national agree-



ments may eventually be made. Certain principles taken from the Chicago Council's agreement were made the basic principles of the Association, with none of which local agreements are permitted to conflict.

III. 2. (b). The Citizens' Industrial Association of America is composed of all kinds of local, state and national bodies, organized especially to meet labor conditions. Each constituent organization pays dues at the rate of fifty cents per annum per employing member, the amount to be not less than \$10, nor more than \$200. An executive committee of fifteen is vested with full authority to make by-laws for the government of the association and to put them into effect. The basic principles adopted by the association are : (1) no dealings with walking delegates, (2) the open shop, (3) no sympathetic strikes, (4) no restriction in the number of apprentices, (5) no restrictions of output, (6) the full enforcement of the law. At present there are about two hundred and fifty constituent associations.

Employers' associations have succeeded to a considerable extent in checking the aggressions of the more radical unions, and also in removing some of the restrictions peculiarly irritating to employers. After a test of each other's strength, they appear to be generally willing to enter into agreements with the conservative unions, and the unions seem to be holding the ground already gained in raising wages and in shortening the labor day. Those unions that are led by able and conservative men with sufficient power to make a conservative policy effective have generally gained in wages, in steadiness of employment and in better working conditions; while on the other hand, the employers have obtained uniformity of labor-cost and some degree of insurance against labor difficulties.

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## APPRENTICESHIP IN THE BUILDING TRADES.

BY JAMES M. MOTLEY.

The mutual obligations of employer and apprentice are largely determined by the terms of their contract. In many cases this agreement is drawn up by them alone, though the union requires that a copy thereof shall be filed with the secretary of the local branch. Other unions insist upon certain regulations within this contract. In 1901 the Stone Cutters of Baltimore ordered a strike because the employers required apprentices to work more hours per day than journeymen (Article 5, section 1 of the Constitution of the Journeymen Stone Cutters' Association provides that "All apprentices on going to the trade shall serve a term of four years but in no case shall they work more hours than journeymen"). In cities where employers and unions are well organized, all questions relating to apprentices, are usually referred to a joint board, composed of representatives from both organizations. In such cases the apprentice enters the trade and continues his work under rules already prescribed for him (Section 1 of the agreement between the local Carpenters' unions and the Builders' Association of Chicago, May, 1902 is as follows: "Apprentices shall be under the jurisdiction of the Joint Arbitration Board which has the authority to control them and protect their interests subject to approved indentures, entered into with their employers and rules adopted by Joint Board").

In general the employer agrees to give the apprentice regular employment and ample opportunities to learn the trade; the apprentice promises faithful service during a stated number of years, while the union obligates itself to protect both employer and apprentice. Under the old form of indenture the apprentice often came under the immediate supervision of his employer who taught him the trade. The present day apprentice receives his instruction from the foreman or a journeyman, the practice being different in various unions. With some the apprentice is assigned to one particular journeyman to whom he must go for all instruction; in fact he is forbidden to ask questions of any

other workman. This journeyman is required to give proper instruction to the boy under his care, failing to receive which the apprentice may appeal to his employer or the union, since both are obligated to give all boys put to the trade, a fair chance to learn it. With other unions the apprentice is assigned to no particular workman, and is privileged to ask questions of any journeyman who must take a reasonable portion of his time to give him the desired information. From his first and simplest lessons in caring for and handling his tools, the apprentice with each year's service takes up more difficult and complex work. The rapidity of his advancement is determined by his ability, his interest in the work, and the opportunities given him by his employer and instructor.

The number of hours constituting a work day for the apprentice is in general a matter of agreement between him and his employer, though in some places, this is determined by agreement between employers and union. It is the policy of the union to prevent employers from working apprentices longer than journeymen. As a matter of fact, apprentices rarely, if ever, work fewer hours per day, and often more than regular workmen.

The apprentice agrees to serve an apprenticeship of a certain number of years, varying in different trades and even in the same trade at different places. In such work as glass blowing where business is suspended during certain seasons, the remaining months constitute a year as provided in the contract. In an agreement between the Carpenters' Locals and the Builders' Association of Chicago, it is provided that any contractor taking on an apprentice shall engage to keep him at work in the trade for nine consecutive months in each year and see that during the remaining three months of the year the apprentice attends school. Conditions of business frequently determine the number of months an apprentice may work. If business be brisk and the employer has sufficient contracts on hand the apprentice may work almost the entire calendar year, provided there be no agreement to the contrary; while during periods of business depression the employer is often unable to supply work and the apprentice is actually engaged only a few months each year.

The wages of the apprentice are always less than those of journeymen, and are usually fixed by agreement between the boy and the employer. They are ordinarily progressive, that is, increasing with every year's service. But when apprentice rules are formulated by employer and union, the wages of the apprentice are virtually fixed by them; at least the minimum is so determined. A typical form is taken from the agreement between the local unions and the Builders' Association of Chicago (section 7): "The rate of wages for an apprentice at date of indenture shall in no case be less than \$260 for the first year, \$300 for the second year, \$350 for third year, \$400 for fourth year."

It is to the best interest of the union as well as to the general welfare of the boy, that the latter should spend his entire term of service at the same place and with the same employer with whom he begins it; otherwise, being easily influenced by the prospect of higher wages and naturally fond of change, he would be constantly moving from place to place and perhaps finally be admitted into the union without serving a full term. To prevent this many unions have strict rules in regard to runaway apprentices. The Stone Cutters' rule offers a good example: "All apprentices registered in each branch to a contractor shall be compelled to furnish their time with the same, unless prevented by death or other cause." The son of a journeyman may be excepted, since with many unions it is an unwritten rule that a journeyman has the privilege of taking his son with him wherever he may go; although this is not a universal law. With some the runaway apprentice is regarded in much the same way as the "scab," and in order that he may be recognized should he attempt to gain admittance into the union, many trade journals publish a list of "runaways," wherein are placed notices of all apprentices leaving their employers without just cause. Such a notice usually contains the name and location of the employer—the name, age and residence of the boy, the portion of his term served and the clue to his probable whereabouts, if known. Unless released, he must fulfill his contract with the employer apprenticing him, or leave the trade.

The employer cannot discharge the apprentice without satisfactory explanation to the union ; at least if dismissed without sufficient cause, he cannot be replaced until expiration of the time he was to serve. Ordinarily the foreman dismisses the apprentice at the request of the employer ; yet should it appear that an attempt was being made by the employer to exploit the boys by retaining them while wages were low and discharging them before they are competent journeymen, the union claims the right to interfere in behalf of the apprentice. Some unions permit the employer to take on trial only so many during a certain time, likewise limiting the boy in the number of trials he may be given.

In case the employer suspends business before the apprentice has completed his term, he is expected to aid the boy in securing another position. To assist the apprentice thus thrown out of employment, the union frequently issues him a permit to secure work wherever it may be found, otherwise he would be compelled to work within the jurisdiction of the union where he had begun his apprenticeship. The union thus receiving an applicant for time, makes a thorough examination as to the term served and the work done. It also reserves the right to determine the additional time the apprentice must serve ere he can become a member of the union.

Having served the required number of years, the apprentice finds it an easy matter to become a member of the union. In fact he is taught unionism along with the trade and is offered special inducements to become a member at an early date. Some unions, however, require him to present a certificate of proficiency from his employer, while others subject him to an examination and, if found deficient, compel him to serve additional time.

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## POPULAR GOVERNMENT IN THE CIGAR MAKERS.

BY T. W. GLOCKER.

The Cigar Makers' International Union might be described as a modern not a primitive democracy ; that is to say, while the members have not attempted to conduct their organization directly, they have not, on the other hand, resigned the machinery of government completely into the hands of their representatives. In the first place, strict control is kept over their popularly-elected officers and delegates to convention by a continual referendum or submission of their work for the approval of the whole body of members. In the second place, by the direct initiation of legislation, and in other ways, each member shares directly the duties of those officers and delegates.

Thus, on the legislative side, not only must the work of the constitutional convention be submitted to popular vote, section by section ; but, during the long interval of eight years between conventions, legislation may be initiated by individual members, who propose, through their respective locals, amendments which, if seconded by a sufficient number of other locals, must be submitted at once to a general vote.

On the executive side, all applications to strike made by unions of less than twenty-five members are passed upon by the executive board ; but an appeal may be taken from that decision to a vote of the members. All applications to strike by unions of twenty-five members or more, are submitted at once to popular vote.

On the judicial side, the whole body of members form a sort of supreme court, to which complainants, not satisfied with the decisions of the president and the executive board may submit any controversy or dispute arising under the constitution.

How may we explain the existence of such a democratic form of organization in a country where republican or representative institutions hold such complete sway ? Sidney and Beatrice Webb have ascribed the corresponding movement in England to



the influence of a dominant theory or sentiment. In the primitive locals, this strong democratic feeling led the workman jealously to guard and to keep the control of affairs under the direct management of the general mass-meeting of all members. When the locals united, however, to form the national body, this theory of direct popular control had to yield in part to administrative efficiency; and this compromise has expressed itself in the present semi-representative form of government.

Such an explanation, while logical and possibly true, is not, however, fully in accord with English and American political experience and practice. "The Americans," says Bryce, "have no theory of the State, have felt no need for one, being content, like the English, to base their constitutional ideas upon law and history." But they have had, he thinks, "certain ground ideas," certain "dogmas and maxims," and chief among these is the political axiom that "the most completely popular government is the best."

The historical development of the Cigar Makers, as an organization, would seem to illustrate the statement of Bryce, rather than the explanation of the Webbs. Probably, at no time in the history of the Union, would the men who shaped its policy have denied, if asked, the eminent desirability of a more popular form of government. Yet, during the period, when the movement towards a wider use of the popular vote was in full force, it is significant that the *Journal of the Cigar Makers* contains no idealization, no discussion, even, of the fundamental necessity and importance of more direct control and administration by the individual members. It is only during the last decade, after this form of government had been some time established that we find many pointing with pride to the part which each member plays in the administration of affairs, a condition of things, they hasten to add, which works very successfully in practice.

If not the result of any conscious theory, to what may the use of the referendum and of direct legislation by the Cigar Makers be attributed? To several causes, probably, rather than to any one circumstance.

In the first place, the Cigar Makers fashioned their newly-

formed organization upon the models that came under their observation. At home, they found the constitutional convention submitting its work for approval to the whole body of voters. From the English trade unions, they borrowed, either directly or indirectly, for use between conventions, the so-called "referendum."

But direct popular control was confined, during these early years, only to matters of legislation. It was, moreover, in actual practice, formal rather than real. The amendments made by the convention were submitted *en bloc*; and unwelcome sections were often accepted in preference to a rejection of the whole work of the convention. Moreover, amendments made directly by the locals, were few in number, and were regarded as temporary or emergency measures to tide over the period until the next convention. Finally, the referendum was made, not to the individual members, but to the locals, as a whole. Within the local, such questions were, indeed, submitted invariably to the general meeting; but the provisions of the international constitution would have been satisfied had they been left to the local executive board for decision.

About 1877, there occurred a change; and from that time on, the form of government grew rapidly more democratic. This was the period, moreover, of the struggle for supremacy which took place between the international and the local. Nor was this coincidence altogether accidental; for in this struggle is to be found explanation, partial at least, of the movement towards democracy.

The clash between local and international interests affected this movement from two sides. On the one hand, the jealousy of the international made the local maintain tight grip on the delegate and keep him a mere agent who voted only as advised by his constituents and never according to his conviction as to what was best for the international. When it was found impossible, moreover, to limit the delegates to proposals that had been threshed out before the opening of a convention, strict control was still kept over these delegates by the submission of their work section by section to the vote of the locals. In short,

through jealousy of the international, the referendum had at last become a reality. On the other hand, it was found that proposals which had received the sanction of a majority vote, gave more satisfaction than similar proposals left to the decision of the officers and delegates. Hence nationalists, like Adolph Strasser, who desired a strongly centralized organization, took advantage of this wholesome respect for the will of the majority to offset the power of the individual locals ; and many questions even of an executive and judicial nature were submitted to a vote of the locals.

But from an international standpoint, it was obviously unfair that the smaller locals should have the same weight in voting as the larger ones. Moreover, by this method of voting, it was possible for the minority to overrule the majority, inasmuch as only a majority of locals was required to pass a proposition, and, within the local itself, only a bare majority of members. The final victory of international autonomy is, therefore, marked about 1884, by the substitution of the popular for the local vote.

But, while the spirit of localism must have hastened the tendency towards a more frequent use of the popular vote, nevertheless, other causes have undoubtedly been at work. For example, the financial economy which led to the lengthening of the interval between conventions, created at the same time the necessity for greater reliance on the initiation of legislation by the individual members. Moreover, the idealization of the popular vote, which has developed of late with a realization of its practicability, has at least tended to check any reaction towards a more republican form of organization.

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## SHOP RULES IN THE BALTIMORE BUILDING TRADES.

BY S. BLUM.

The trade regulations of the bricklayers' and masons', the carpenters' and the stone cutters' unions have been studied with special reference to their effect in Baltimore. The investigation has been simplified by the fact that there is no sympathetic agreement in Baltimore between the several unions in the building trades. Each organization works out its own destiny without regard to any other. A union carpenter is very careful not to work with a "scab" carpenter, but he will not hesitate to rub shoulders on the same job with a "scab" bricklayer. Even among the unions themselves, there is not perfect accord. At present a strong jurisdictional fight is in progress between the stone setters, who belong to the stone cutters' union, and the masons. The stone setters assert, that inasmuch as the stone is cut by members of their union and as they do much of the cutting on the spot, the stone setting belongs to the stone cutters' union. On the other hand, as mortar must be spread the masons hold that the work belongs to them. In the unions themselves there is frequently no clear understanding as to where one class of work ends and another begins. At present it appears that the masons will win out for the bricklayers have come to their aid by refusing to back up or lay bricks upon any stone not set by members of the Bricklayers' and Masons' Union. This conflict is a cause of much ill feeling between the two unions and among the contractors, who do not sympathize with either party to the conflict, but who simply look to results.

In addition to jurisdictional rules, the important trade union regulations in the Baltimore building trades are as follows :

1. Rules to maintain the efficiency of the union. The most interesting regulation of this class, common to all the unions examined, is the rule, against "lumping and sub-contracting." The objection to "lumping" is that by sub-dividing a job among smaller contractors it becomes impossible to watch the



work, and to see that union rules as to hours, wages, and piece-work are enforced. In other words, the unionists fear that a job which is nominally "union" will become virtually "scab" by sub-contracting. On the other hand, the contractors assert, that instead of sub-contracting work to smaller shops, the tendency is for the smaller and poorly equipped shops to sub-contract to larger and more adequately equipped ones. A contractor stated to the writer that a small firm employing non-union men had engaged him to carry out part of a contract for which the firm lacked facilities. When the men found out that this was a sub-contracted job, they refused to work on it despite the fact that by so doing the union would be performing work that would otherwise have been "scab". It is difficult to determine the merits of the case. The issue is sharply drawn and is the cause of much bitterness. The primary idea of the unions is that by taking a firm stand in this matter they will be better able to withstand an infringement of other union regulations.

2. Rules to maintain the skill of the craft. This class of regulations is typified by two rules of the bricklayers' and masons'. One forbids mortar to be spread on a wall with any other instrument than a trowel ; the other forbids a laborer to spread mortar. The first of these rules restricts the output, but there is also a strong feeling among the bricklayers that using a trowel is the act of a skilled artisan and that the use of a shovel in place thereof is a distinct reduction of the skill of the craft.

3. Rules to maintain the standard rate of wages. The most interesting regulation for maintaining wages is that of the stone cutters which gives to each local the power to refuse to receive stone cut in another place. The rule is intended to protect union stone cutters receiving high wages from an influx of stone from places where labor is cheaper. As far as Baltimore is concerned, the rule is a bad one, seriously affecting both the unionists and the employer. Baltimore is a stone exporting center, the wages are fairly good and the work seems to be done under union conditions. The local trade is thus put in the position of being



discriminated against without power of retaliation. At present there is a supply of cut stone in Baltimore ready for shipment which will not be shipped until the embargo is raised. This condition of affairs is the cause of much complaint, and strong efforts will probably be made in the next convention to have it modified or repealed. The rule has tied up work in one of the large local stone cutting yards. A certain Washington contract was given to a Baltimore firm. On hearing this, the Washington local decided to put an embargo on Baltimore cut stone. The Baltimore stone cutters and the contractors were in perfect accord, but when the Washington decision was made known, work stopped and a strike inaugurated which has lasted for some months and is likely to last for some time to come. This is one of the few trade union regulations which is opposed by both employee and employer.

4. Rules restricting output. Among none of the unions does there appear to be any definite stint which is known as a day's work. They all speak of a "fair day's work," they all oppose "rushing" and they all expect an exceptionally rapid worker to hold himself in check so that the efficiency of the average man or even the man a little below the average may not suffer by too great contrast. The standard of the union is not that of the best man in it but approximates to that of the average man. There are certain positive restrictions, however, among which may be mentioned the rules of the bricklayers and masons' against "putting up the line" more than one row at a time, that is until the entire row of bricks is finished. Not until after the recent fire did the stone cutters' allow planer-cut stone to be brought into this city. The planer is a machine that can do the work of from four to seven or eight men. The local union has had little experience therewith and the unionist attitude has been not to oppose the introduction of the machine but to demand that it shall be run by a member of the organization. Since the fire, owing either to a public-spirited desire to hasten work or fearing that under any circumstance planer-cut stone would not be kept out, the union has given notice that the machine cut stone would be set in Baltimore.

Trade union regulations in the building trades of Baltimore do not seem to be as drastic as they are reported to be in other large cities of the United States; yet many of them are a cause of exasperation to employers who regard them as an unnecessary interference with their business. Since the fire the conditions in the building trades have changed radically and it will be surprising if many interesting and instructive developments do not occur.

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ORIGIN OF THE BENEFICIARY FEATURES OF THE  
CIGAR MAKERS' INTERNATIONAL UNION  
OF AMERICA.

BY J. B. KENNEDY.

Beneficiary features in the form of a loan system seem to have been associated with the very beginning of the Cigar Makers' International Union. Based on loosely constructed principles, and administered badly, this system was abolished at the Detroit Convention in September 1873. Immediately thereafter the Union began energetically the establishment of a better system. The unemployed were regarded as a menace not only to the local union but to the membership in general. Experience showed that it was far better to pay a considerable amount to remove surplus labor to other fields of employment than to allow it to remain idle. Some device was necessary by which the cost of transportation might fall upon the whole organization and not upon the local.

Before an efficient system of loans could be adopted by the International Union it was necessary to convert the locals to a belief in the system. The method pursued was the natural one, viz., adoption and trial by locals of various loan systems. As a result of these experiments Union No. 122 proposed in October 1878 a plan for aiding "all traveling craftsmen in need." Remembering the failure of the former system the members of this union declared themselves in favor of giving a specific sum

as an absolute gift and requested the International President to lay the plan before all locals for the purpose of having it embodied in the International Constitution. The project failed to reach the International Convention, but it served to awaken a deeper interest in the movement, and finally resulted in the development of a project proposed in August, 1879, by Union No. 144. This plan entitled a member of six months' good standing to a sum aggregating not more than \$20.00. It was adopted in September, 1879, and went into operation on May 1, 1880. Much opposition to the plan developed in consequence of the fact that it provided no limit to the first amount a member might draw. After four years' trial this amount was fixed in the Constitution of 1884 at \$12.00 and further reduced to \$8.00 in the Constitution of 1896. Provision was also made that the member should, after finding employment, return to the union 10% of his weekly earnings; these modifications together with some other minor regulations placed the loan system upon a substantial basis.

The strike benefit prior to 1879 was a "paper" benefit. It provided that members on strike should receive \$7.00 per week, provided, however, that they had been out at least five days before being entitled to said benefit, and that all benefits should date from the approval of the difficulty by the union or its inspection committee. The benefit seems to have been paid with little regularity, and the lack of specific regulation caused a decrease in members and general dissatisfaction with the system. The need of improvement was shown by the New York strike of 1874 against tenement house work, at which time the funds of the union were insufficient to maintain its claims. The first changes were made by the locals as in the case of the Loan System. Local No. 144 proposed an amendment which was adopted by the necessary five locals in April, 1879, and by the International Convention in September, 1879, and embodied in the Constitution of 1880. It provided that members on strike should receive \$4.00 per week, to commence on the day of application, that each local should retain 15 cents per member per month and 25 cents per each new member as a strike fund,

and that each claimant member must be of three months' good standing. These specifications have been modified from time to time until at present a member on strike is entitled to \$5.00 per week for the first 16 weeks, and \$3.00 per week thereafter till the strike or lockout ends. The union retains 25 cents per member per month and 50 cents per new member for a strike fund.

In various local unions efforts were early made to establish a system of sick benefits. In September, 1876, Mr. Gompers of No. 144 proposed to his local union that members sick and out of work should pay no dues. This was the first step in the adoption of a sick benefit. Thereafter we find the most active unions, such as No. 144, 39, and 88 engaged in discussing the need and importance of a permanent sick and death benefit fund. In June, 1877, Local No. 39 of New Haven proposed a sick benefit clause for the consideration of the locals; it was brought before the International Convention in September of the same year, but failed of passage. In June, 1879, Local No. 87 of Brooklyn adopted a sick and death benefit providing \$5.00 per week for 13 weeks and in case of death \$50.00 for funeral expenses. The adoption of this plan aroused much interest; members paid their dues more regularly and better attendance was secured. In consequence of this growth of union activity, No. 144 again proposed a national sick benefit clause. The Committee on Constitution reported favorably thereon at the twelfth convention and it was submitted to the locals for consideration at the next convention. In September, 1880, the present system of Sick and Death Benefits was adopted. It originally provided that a member of six months' good standing in case of sickness should be entitled to \$3.00 per week for the first eight weeks, and \$1.50 per week for the next eight weeks; in case of the death of a member of one year's standing \$25.00 was allowed for funeral expenses. The sick benefit as it now (1904) stands gives to a member of one year's standing \$5.00 per week for a period of thirteen weeks, allowing no other claim during the same year.

The death benefit has since been increased. On the death of



a member of five consecutive years' standing, the wife or legatee is entitled to \$200.00 ; if of ten years' standing \$350.00 ; if of fifteen years' to \$550.00 ; and any member of fifteen years' standing who has become incapable of working at the trade is granted a life membership by which he is permitted to retain his claim upon the death benefit on payment of ten cents per month quarterly.

The out of work benefit was among the first discussed after the organization of the International Union and the last to be adopted. Repeated efforts were made for its establishment and as often failed. This benefit also had its actual origin in a local proposal. The strongest advocacy of such a benefit came from Locals No. 144 and 39. No. 144 paid a local out of work benefit, which proved successful, and as early as 1876 proposed a plan to the International Convention which was defeated. Other locals however were induced to try the same plan, and in 1877, No. 39 adopted the system. Early in the same year the plan was proposed to the International Convention. Although International President Hurst endorsed the proposal and recommended that it be placed before the locals for consideration, it failed to pass the International Convention and Mr. Gompers' Labor Bureau system for locals was adopted instead. This served to hold what had been gained, and marked the beginning of the fight in the International Convention. During the next ten years the idea grew steadily. Every effort was used by the advocates of the benefit to show the influence such a system would have in adding members to the union and in holding the members. The system was finally adopted in September, 1889, and put in operation by the last of January, 1890. As originally adopted in 1889, it provided that a member of one year's good standing should be entitled to \$3.00 per week and 50 cents for each additional day ; that not more than \$72.00 to any one member be granted during any one year ; that no benefit be granted between December 16 and January 15, and July 1 and July 15 of any year ; and that having received benefit for six weeks, the member should not be entitled to another benefit for seven weeks thereafter. With the exception of a reduction of



the total amount receivable per year from \$72.00 to \$54.00, the clause has remained unchanged to the present time.

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## TRADE UNIONISM AND INDUSTRIAL EFFICIENCY.

BY HENRY WHITE,

*General Secretary of the United Garment Workers of America.*

The organization of the wage-workers has proceeded so far that the dangers it gives rise to have become a matter of serious concern. It is charged that one of the injurious tendencies of unionism is to curtail the efficiency of the worker and to restrict production generally, that as the unions gain in power this tendency becomes more marked. If such is the case then the unions interfere with progress, because the social welfare is best served by increasing the efficiency of the individual. There are two ways of looking at this question, from the standpoint of the immediate, and from the permanent. Judging the union methods by the immediate, they undoubtedly tend to curtail production. The shortening of the working time and the prevention of rush work, for example, are restrictions upon the quantity of the output ; but if the object of such restrictions is to guard against the premature exhaustion of the laborers they are economic and justifiable.

Sweating is a means of securing the maximum output, but it consumes the potential power of the worker at the same time and is, from the social standpoint, wasteful and uneconomic. For this reason also child labor is forbidden by law, which is a plain restriction of output. The individual employer, not being charged with the care of his employees, and being able to replace them when worn out, is only interested in what he can get out of them day by day. Restrictions, therefore, are defensible where their purpose is to check this draining of the laborers' vitality for the employer's immediate gains.

The experience of the workers, the uncertainties and temporary hardships caused by labor-saving methods and their misconcep-

tion of the operation of industry, together with the usual human weakness, explain why there should be any further tendency on their part to restrict production. It is vain to deny that there is such a tendency, since the attitude of the workers is about the same as that of most people, the only difference being that when organized, working men are able to some extent to enforce their opinions. When a workman joins a union he is not transformed into a saint. No one would hold that the union is actuated by the highest wisdom, and that the unionist, because he acts with other workmen in common effort, puts the welfare of society above his own. Self-interest is the basis of unionism. Workmen come together for the purpose of advancing themselves first, but it does not follow that self-interest is a detriment to others. We can pursue our interest in such a way as to help, as well as to injure, others. This, however, can be said of the worker, that in order to improve his own condition he can only do it by helping to raise the condition of his fellows, at least that group with which he is directly identified. But it is possible for wage workers to go so far in pursuing their particular interests as to trespass upon the interests of other groups, and also of society. That is likely to happen, and often does happen. You would hardly expect a body of workingmen to exercise more self-restraint than others would under the circumstances. In the case of the union the coöperation of large numbers is required, which makes it exceedingly difficult for them for any length of time to maintain a position hostile to the public interests. Even were they to succeed for a time they would soon have arrayed against them the organized employers, who, in the light of recent experience, have shown themselves well able to resist union excesses. There is also an economic check. The restrictions that unions are able to impose are limited by the competition of the non-union employer, who would be free to utilize the newest methods, and therefore put the union employer at a hopeless disadvantage. The union, therefore, could not go very far in curtailing production, although it must be admitted that they can enforce irksome restrictions. The futility of any such attempt they are becoming aware of, as it is common to hear members say that it is useless

to try and oppose progress, but this is not sufficient. They should understand that even if they should restrict output or suppress inventions it would not be to their advantage, because they cannot hope to improve their condition to any extent without increasing their working capacity.

They should direct their efforts to securing a just share of an ever enlarging product instead of hoping to prolong their jobs and increase their pay by diminishing their productive power. There is the example of the countries where the crudest implements are used. The product of the worker is small, but the wage is also proportioned to it, in some cases not more than a few cents per day, and employment is not steadier. The constant rise in wages that has taken place during the past half century, the shortening of the working day, would not be possible unless the output of the worker was increased. The possibilities of unionism would be exceedingly limited without the increasing of the capacity of the laborer. Inventions have put in the reach of the wage worker what a few generations ago would have been considered luxuries. Machinery has given him leisure and enables the worker also to tide over a longer period of idleness.

The great drawback is the high uncertainty that inventions create, and the suddenness of the disarrangement. This must be met by the worker becoming more adaptable to the changing employments. The distress would be mitigated if his mental attitude were changed. He should get rid of the notion that he is destined to spend his life in the repetition of some small process. He should have a training that would enable him to shift from one branch of a trade to another, should it become necessary. Manual and technical education seems to supply that need, and it could be best provided by the public schools. The apprenticeship system is going rapidly out of use, as it was never intended for a variable system of industry. A method, therefore, more in harmony with present requirements must supersede it. Manual training would not be in conflict with unionism, as some believe, but on the contrary, should promote it. Independence and high wages go together. The workmen who is skilled in the use of tools and has an understanding of mechanical

principles is more capable of accommodating himself to new employments, and is, therefore, more likely to demand a suitable wage. His mobility is increased, which conduces to independence, and robs inventions of their terrors. A distinction should be made between trade schools and manual training schools. The function of private trade schools appears to be the turning out of hastily taught workmen with a smattering of a trade, who are then thrust upon the labor market to become available during labor troubles. The union opposition to these private trade schools is, therefore, well founded. They are conducted purely in a commercial spirit, and the pupils are not taught the value of labor.

What is specially needed is more enlightenment upon the economic aspect of the question. There should be a better understanding of the effect of machinery and of the operations of industry. The industrial system has become so complex that only a small part of it is seen at a time, and hence the confusion. Both the employer and the employed should know something about the nature of the service that they perform, the part that they play in the social economy. They should both be taught what their duties and responsibilities are, and that the value of their service can be measured only by its social value, by their contribution to the general welfare.

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## THE THEORY OF THE STANDARD RATE.

BY WILLIAM H. BUCKLER.

A standard rate of wages means, in ordinary parlance, that rate of payment which constitutes the usual remuneration of a given class of laborers at any given time and place. In this sense standard rates of wages have doubtless existed ever since the origin of the wage-system. But in its specialized modern sense the term standard rate means more than this. It denotes that rate of remuneration, per unit of output or of working time, which at any given time and place must be paid to all laborers of a given class, whenever they are employed.



Mr. and Mrs. Webb have said that the establishment of such a rate is due to "the insistence on payment according to some definite standard, uniform in its application" (*Industrial Democracy*, I. 318) and to "the determination to obtain identical payment for identical effort." Similarly the Industrial Commission has said that the standard rate means at bottom "so much pay for so much output," (*Report*, XIX, 819). But these explanations, although perfectly true, do not lay sufficient stress on the most vital feature of the standard rate, which is its compulsory character.

Strict enforcement is of the essence of the standard rate; if it were not compulsory, it would be useless. Its establishment has sprung, not from the determination to fix the wages of each laborer in proportion to his effort or output, but from the desire to increase the money wages of all laborers in any given trade. And in order to do this effectively, the rule has been adopted of identical payment for identical effort, in other words, of uniform remuneration to all laborers in that trade.

To understand the theory of the standard rate, we must then ask how money wages can be increased. Such an increase may be caused by anything which lessens the supply of labor, which increases the demand for it, or which increases the supply of money. But causes of that sort are comparatively slow in their operation, and are beyond the direct control both of the laborer and of the employer. What the laborer wants is some means within his control of immediately increasing his money wages; in other words, of forcing the employer to pay him a larger share of the joint product. This can obviously be accomplished only in one of two ways, either by private initiative, or by State intervention.

An increase in the rate of wages might conceivably be prescribed by statute, which is what Mr. and Mrs. Webb have called "the method of legal enactment." If this were done, the State would, of course, compel the payment of the increased rate. But in this country, for constitutional reasons, that method is not available. Therefore, in the United States, an immediate increase of wages can only be secured, and its payment enforced, through the operation, not of law, but of private initiative.



Now it is clear that this initiative cannot come from the employers of labor, since self-interest impels them to buy labor as cheap as possible. Even if some employers preferred to pay higher wages than the market rate, competition would prevent their doing so. Hence the only means by which an increase of wages can be immediately secured is through the initiative of the laborers. They must agree among themselves to insist upon an increased rate, and must then induce the employers to pay it.

To accomplish this result three factors are obviously required. First, there must be an organization of the laborers, strong enough to unite them in demanding an increase, as well as to prevent any among them from accepting employment at the lower rate. Secondly, the organization must find means of bringing pressure to bear on the employers. Thirdly, an agreement fixing wages must be made between the employers and the organization. These necessary factors, in short, are the Trade-Union, the Strike and the Collective Bargain.

When these factors are present, and an increase is demanded, one of two things must occur. Either a strike will be declared, and work will cease until the trade-union abandons its attempt ; or else, with or without a strike, the employers will yield, and an increased rate of wages will result. That rate must necessarily be made compulsory, otherwise the increase would be impossible to maintain ; and to make it compulsory is the business of the trade-union. The union must insist that the employers shall not pay less, and that the laborers shall not accept less, than the wages stipulated in the collective bargain. The penalty of disobedience may be, for employers, the strike ; for laborers, a fine or expulsion from the union. The rate must also be uniform, for two reasons. It must be so, when demanded, in order that the laborers may feel that they will all alike benefit by its establishment. It must be so, when established, because the object is to prevent the laborers from lowering one another's wages by competition, and without uniformity in their wages competition would be inevitable.

In this country, therefore, the creation of trade-unions and the settling of wages by collective bargaining at a uniform and com-

pulsory rate are essential steps in the process of immediately obtaining higher money wages. That uniform and compulsory rate is what we know as the standard rate. It may be assumed that the desire to increase their income is as strong among working-men as among men of other classes, and that they will adopt any lawful method calculated promptly to produce that result. Hence from the fact that the only method devised for that purpose in this country must lead to the establishment of standard rates of wages, we may infer that the desire for increased wages has been, as above stated, the chief motive for the adoption of those rates.

The efficacy of the standard rate is equally evident in cases where it is desired, not to secure an immediate increase, but to prevent a reduction of wages. For this purpose, in the absence of legal enactment, it is no less clearly necessary to organize the laborers, to put pressure on the employers, and fix the rate by collective bargaining. This rate also must be uniform, and its observance must be compelled by the trade-union; in short, it must be "standard." Thus it appears that, without the establishment of a standard rate, the wages in any trade could not be immediately increased, nor their reduction be prevented, by means within control of the laborers.

It is this which makes the fixing of such a rate one of the most important features in the policy of all trade-unions. They strive to attain one of their chief objects, which is to increase or maintain the wages of their members, by the same methods as are used by the trust in pursuing its analogous object, which is to raise or uphold the price of its wares. Both the trust and the trade-union seek to acquire, at least a partial, and if possible an entire monopoly. The more completely a trade-union controls all the available supply of labor, the more easily can it dictate the standard rate, or selling price, at which that labor shall be placed on the market.

There is only one important difference between the methods of the strongly organized union and of the powerful trust. When the latter wishes to banish a rival from its territory, it floods the market with its own wares at reduced rates. But a strong union, when it wishes to drive out the non-unionist, or the rival union

invading its territory, cannot afford to cut down its rate. Its weapon must still be the strike. Instead of trying to undersell its rivals, it leaves the standard rate undisturbed and withdraws its labor from the market, till the employer becomes willing to pay the standard rate rather than do without that labor.

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### RICARDO'S THEORY OF VALUE.

BY ASSOCIATE PROFESSOR HOLLANDER.

There are three clearly defined phases in Ricardo's treatment of value, corresponding here as throughout to the influences which shaped his mental history as an economist. The first extended from early acquaintance with systematic economic writing, through the bullion controversy, and might be described as a consistent exposition of Adam Smith's original concept of value. The second phase was incident to the corn-law discussions and to the debated policies associated therewith, and found expression in the chapter on value in the first edition of the "Principles of Political Economy and Taxation"; its key-note was theoretical warrant for the proposition that higher wages did not necessarily mean higher prices, and that a fall in wages was compatible with a rise in prices. The third phase consisted, in the main, of spirited controversy with friends and critics as to the adequacy or otherwise of labor as a measure of value, and was at its very height at the time of Ricardo's death.

In inception, Ricardo's theory of value probably dated back to early critical reading of the "Wealth of Nations." It took definite shape in consistent correction of Adam Smith's exposition, and further analyses proceeded for a decade strictly within these lines. An acute student of the Ricardian economics has said that "we are indebted to the Bullion controversy for the Ricardian theory of value." But this can be true only in the most general sense. The subject had become fairly clear in Ricardo's mind long before 1809, and the effect of subsequent currency discus-

sions such as that growing out of Bosanquet's assertion that years of scarcity and high taxation, and not excessive circulation, were the causes of the rise of prices—was, at most, clearer definition and further application of a theory of value and price then already well in mind, rather than independent formulation of a new theory.

Ricardo's concept of value, in its first or Smithian phase, was on the verge of change in 1815. Moreover in "An Essay on the Influence of a Low Price of Corn on the Profits of Stock," published in that year, the theory of value figured far less as a novel or basic doctrine requiring explicit assertion or detailed exposition, than as a restatement of a familiar principle cited merely to establish the proposition that with the progress of wealth the landlord might be expected to benefit not only "by obtaining an increased quantity of the produce of the land, but also by the increased exchangeable value of that quantity."

The nearest approach to an exposition of this first phase of Ricardo's treatment of value to be found in his own writings is represented by pp. 1-12 of chapter 1 "On Value" in the first edition (1817) of the "Principles of Political Economy and Taxation." The chapter as published was undoubtedly composed at different times and under the dominance of different ideas, and it is not entirely fanciful to regard the formal break on page 12 as a line of stratification.

The second phase of Ricardo's treatment of value is directly traceable to the corn-law controversies of 1813-1817 and to spirited discussions thereafter with Malthus, McCulloch, Say and Torrens, as to related economic policies. The initial chapter "On Value" in the first edition (1817) of the "Principles of Political Economy and Taxation" was thus designed less as an independent exposition than as theoretical warrant for certain practical propositions advanced and defended by Ricardo from about 1813 on. Thus (a) Ricardo believed, in opposition to Malthus, that lower profits could only result, in the long run, from higher wages; (b) he asserted that McCulloch's proposal to scale down the interest on the national debt was neither just nor equitable, and (c) he refused all credence to the



popular fear that the free importation of corn would be followed by a further disastrous fall in general prices.

It was to give theoretical re-inforcement to such definite propositions that Ricardo developed and extended his original concept of value. The prime features of his modified exposition were disagreement with the doctrine that every rise in wages must necessarily be transferred to the price of commodities, and, second, demonstration of the converse dictum that higher wages were actually compatible with lower prices.

Ricardo's "Principles of Political Economy and Taxation" was published in the spring of 1817. As stated above, the treatment of value therein contained, was designed less as an independent exposition than as a warrant for the proposition that higher wages do not necessarily mean higher prices. But just as in the case of Malthus' first statement of 'the principle of population' it was less the conclusion than the argument that was assailed. Ricardo found himself called upon not to establish any such paradox-like dictum as that prices sometimes fell as wages rose, but more fundamentally to vindicate 'embodied labor' as the soundest theoretical and the best practical measure of value.

This controversy, which constitutes the third phase of Ricardo's theory of value, appears to have begun with the appearance of McCulloch's highly laudatory notice of Ricardo's book in the *Edinburgh Review* for June, 1818. It was continued by Torrens' "Strictures," Malthus' "Political Economy" and "Measure of Value," Mill's "Elements," McCulloch's "Lectures," Ricardo's successive editions of the "Principles" as well as his correspondence with Trower, Malthus and McCulloch, and was still in progress at the time of Ricardo's sudden death in the summer of 1823.

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## THE EVOLUTION OF RAILWAY RATES.

BY LOGAN G. MCPHERSON.

Railroad transportation at the time of its introduction, as a matter of course, conformed to the laws which govern the entrance of any service or commodity into the market; that is, the early railroads were obliged to furnish transportation for a less price than existing agencies or to a greater degree of satisfaction, or both.

That a lower rate for transportation was a controlling incentive to the adoption of the railroads as carriers is further manifest from that portion of the charter granted by the State of South Carolina to the historic road which was built from Camden. The principal means of land transportation theretofore had been by wagon along the pikes, and it was the general custom that the rate of transportation by wagon was 20 cents per cubic foot for light weight and \$1.00 per 100 pounds for heavy articles per 100 miles. The minimum charge was for 20 miles, because 20 miles was a day's work, and a less haul spoiled the day. A wagon had a capacity of 200 cubic feet and 4 horses could haul 4000 pounds or two tons; the minimum charge for 100 miles for the wagon load was therefore fixed at \$40.00.

The South Carolina charter permitting the construction of the Camden road provided that its charge should not exceed 10 cents per cubic foot for light articles and 50 cents per 100 pounds for heavy articles per 100 miles, thereby arbitrarily making the railroad tolls one-half the wagon tolls. The railroad accepted this dictum to mean generally that the railroad charge should be one-half the wagon charge and divided its territory into ten mile districts, one-half of the mileage for which wagons made a minimum charge and adjusted its rates per 100 pounds per 10 miles.

It will be perceived that this earliest railroad tariff in the United States was adjusted without any reference whatever to the cost of transportation, but was fixed before the means of transportation had come into existence.

Very soon it was perceived that the distinction derived from wagon practice between light weight and heavy articles must be complicated by differences in the value of the commodities ; otherwise the railroad might be hauling a carload of material light in weight but great in value, at a much less revenue than it would derive from a carload of material, heavy in weight but low in value, a condition that would have little or no effect upon the volume of the more valuable material transported but would operate to materially decrease the volume of the less valuable.

As the different short lines of railroads combined, some half dozen lines crossing the State of New York, forming the original New York Central R. R. and a number of lines in the State of Pennsylvania, forming the Pennsylvania Central, there was the beginning of the through rate which came to depend more and more upon rates by water-ways. It was naturally the desire of each railroad to obtain the largest possible share of traffic and it was prone to manipulate rates to this end. Different railroads terminating at different seaports were inclined to adopt rates that would draw traffic for export to these seaports. Thus began the war between the trunk lines that continued in one form or another often marked by violence and fury, for a generation. The early and ill-defined classification developed into a classification more clearly defined along the following lines: the rates made necessary by competition ; the volume of business ; the direction in which freight moved, including the point whether cars returned loaded or empty ; the value of the article ; the bulk and weight ; the degree of risk ; the special conditions, such as special equipment and special care en route.

When competing roads were built throughout the West and Northwest, the competition for traffic in that territory became as violent as that engendered between the trunk lines, and the country passed through the era of rebates, of discriminations between shippers and localities, of high charges for local traffic while through rates were slaughtered, of underbilling, false classification and other stealthy devices by which railroads and shippers tried to hoodwink other railroads and other shippers.

The result of all this was the formation of associations, of which that participated in by the trunk lines was the earliest, through which competing lines endeavored to come to an agreement as to competitive rates and the carrying of competitive traffic.

These associations marked a decided advance in the evolution of a systematic adjustment of rates. For example ; instead of the railroads leading east from Chicago, and the roads leading east from St. Louis, each endeavoring to carry competitive business to the seaboard at rates lower than charged by the other, some effort was made to adjust the rates from these two centres so that each group of roads could carry a reasonable share of the traffic. The rate on grain from Chicago to New York, for example, could not exceed beyond a certain degree the rate at which grain could be shipped from Chicago via the Lakes and Erie Canal, and the rate from St. Louis was made 120 per cent. of the Chicago rate.

As the development of transportation lines that traversed the different countries and the different oceans placed the products of the whole world in competition, another influence was brought to bear upon the rates of the American railroads. Continuing with grain as an example : The price of American wheat is fixed at Liverpool in competition with wheat from Southern Russia, from India and from the Argentine Republic. Out of the price per bushel at Liverpool, thus determined, the trans-atlantic steamers, the American railroads, the handlers and the farmers must each have a share. The rate which it is possible for railways to obtain from the grain regions to the ocean, is therefore limited within a narrow range.

In this, as in countless other instances, little if any attention is paid toward having the rate bear a definite relation to the cost of transportation. The rate that a railroad can charge for the transportation of a product depends upon the price at which that product can be marketed, upon the competition with water-ways and the competition of localities which the railroad serves with other localities ; that is, the rate is determined by what the traffic will bear.

A railroad company had difficulty indeed in ascertaining what

the cost of transportation of any particular commodity is. Even if there were no other expense than that for train movement, there is such variation in the volume of traffic in any one commodity or in all commodities from year to year as well as variations in the conditions of operation, that the cost per ton per mile for carrying a certain commodity in one year, might not be the cost in a succeeding year. But in addition to the cost of train and engine movement, there is the charge for handling through stations, for maintenance of way, maintenance of equipment, tax, insurance and various fixed charges.

It is necessary of course if a railroad maintain solvency, that its revenue exceed its expenses, and therefore (leaving out of consideration in this discussion other sources of revenue) that its freight charges applied to the volume of traffic must produce revenue exceeding these expenses for operation, for maintenance and for fixed charges, but it is the total of the revenue that must exceed this total of expense. To charge the same rate per ton per mile for each commodity as has been shown, would stunt certain traffic and destroy other traffic. A railroad company at the end of the year may be able to calculate what has been the average cost for moving one ton one mile though it is generally conceded, and is conceded by the Interstate Commerce Commission that this cannot be done; it may be able to ascertain what have been the average receipts per ton per mile for the different kinds of commodities, and in what proportion each commodity has contributed to the total revenue, and thus arrive at an approximate rate per ton per mile below which a particular commodity cannot be profitably moved. But this is subject to variation; for example, if the grain movement to the seaboard be so great that solid trains can be run filled with grain, a profit can be obtained from a rate per ton much less than a rate that would be ruinous if the movement were not so heavy.

While the total revenue must exceed the total expense, the adjustment of the rates that produce that revenue must be largely governed by what the traffic will bear; that is, the adjustment must be that which will encourage the transportation of certain commodities at comparatively low rates and place a



greater rate upon commodities that will not be affected by such a rate in the market. There are peculiar conditions for each commodity for each locality and these conditions change with each commodity and in each locality. "What the traffic will bear" does not mean the placing of the highest possible rate upon every commodity, that policy of the ancient tax gatherers which tended to tax property out of existence, but that adjustment of rates which will develop the largest amount of traffic, and therefore that adjustment which will best serve the needs of the consumers of products. While the gross revenue of a railroad company must exceed its expenses, the principle of "what the traffic will bear" allows that revenue to be obtained in the way that gives a maximum of satisfaction to its patrons.

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## LEGISLATIVE REGULATION OF THE OYSTER INDUSTRY IN MARYLAND.

BY M. O. SHRIVER, JR.

Various bills dealing with the oyster question are introduced at every session of the General Assembly of Maryland ; of these nearly all fail of passage. This proposed legislation is of four kinds : 1. Local bills to regulate the catching of oysters in local waters ; 2. License laws ; 3. Bills to "repeal and reënact with amendments" the whole body of existing law ; 4. Planting bills. There is, of course, no hard and fast line drawn between these several divisions ; in very many cases bills of the first class overlap the second, the second the third and *vice versa*.

Bills of the first class deal with the right of common use in certain waters of the counties by the citizens thereof, or provide that in certain waters only specified modes of oystering shall be permitted. Instances of laws of this class are the right of use in common of the Nanticoke River by the citizens of Wicomico and Dorchester Counties, and prohibition of dredging in any but State waters.

The number of license laws that are introduced every session

is large though they are nearly all of local importance only. The third class is much less common ; indeed there have been only two or three in the last ten years. Such measures aim to establish an entirely new set of provisions regarding oyster seasons, modes of oystering, licenses, inter-county use of waters and planting. They usually contain the old "five acre pre-emption clauses" which have been a part of Maryland oyster legislation since 1830. Even this however is frequently changed, and the area to be preëmpted fluctuates from one to five acres, and from five back to one for little apparent reason. A feature of one of the bills that has much in its favor is a provision for spreading oyster shells over certain natural beds in the bay, and then proclaiming a closed season on such beds for two years.

Of the fourth class there have been two kinds : (a) bills to incorporate an experimental oyster planting company ; (b) bills to establish and promote the oyster planting industry in Maryland. Under the incorporation plan a company is to be established by the State, and given rights to two or three thousand acres of land, at a rental of one, or one and a quarter cents a bushel. The rental and the amount of land varies in different bills. The land is to be leased for a term of twenty years, to be renewed for twenty years. A bill of 1900 authorized leases for a thirty year term, renewable thereafter. The natural beds were excluded from the operation of the act ; but the corporation was to have exclusive rights in taking up two thousand acres. The Board of Public Works was to designate the land to be taken up for planting, and no creek less than one hundred yards wide at the mouth was to be taken up. In recent years the incorporation scheme has been largely abandoned, because of the general outcry over the State that the oystermen would thereby be deprived of a livelihood and the industry monopolized.

Proposed legislation to promote oyster planting has also undergone many alterations. Chief among these is the reduction in the amount of land that each person is to be allowed to preëempt. In addition to the provision that no firm, corporation, or joint-stock company could lease, the maximum permitted to private persons has been fixed at three hundred acres, and lately reduced

to one hundred. The minimum is five acres in the inshore waters and ten in the deep or bay waters. This is to prevent too great complication in the records of the Shell Fish Commissioner, who is a new officer created by the act, with a proposed salary fixed variously from fifteen hundred to five thousand dollars and a term of office fixed at four years. It is strange that in the midst of the agitation against the leasing of the natural beds, two bills, one in 1894 and the other in 1902, were introduced providing that twelve months' peaceful occupation of a natural bed under a planting law constituted a valid title thereto. The laws all aim to keep the industry entirely in the hands of Maryland citizens; they provide that if any person transfer or attempt to transfer oyster land to a non-resident all title thereto shall cease, and become void. The Shell Fish Commissioner is to have maps of the barren bottoms of the bay prepared, and these areas are to be leased at what is deemed a just price within the limits of one to five dollars per acre. The Shell Fish Commissioner is also to decide all disputes that may arise between the lessees and others and is in general given large authority in everything pertaining to the industry. The design of the measure is to protect the planter and to give him full title to all oysters cultivated or found on his beds. The net revenues accruing are to form a "road fund" to be proportionately divided among the counties of the State, thus largely reducing taxation by giving the State a material income from what is at present an unproductive source.

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THE  
ECONOMIC SEMINARY

1904-05

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# JOHNS HOPKINS UNIVERSITY CIRCULAR, No. 179

JUNE, 1905

## CONTENTS

	PAGE
THE ECONOMIC SEMINARY, 1904-05:	
The Origin of the Constitution of the Typographical Union. By G. E. BARNETT, . . . . .	3
Disability Insurance in the Railway Brotherhoods. By J. B. KENNEDY, . . . . .	6
Adjustment of Wages in the Foundry Trade. By F. W. HIL- BERT, . . . . .	11
National Trade Councils. By WILLIAM KIRK, . . . . .	14
Machinery in the Stone Cutting Industry. By S. BLUM, . . . . .	18
The Unit of Government in the Meat Cutters' and Butchers' Union. By T. W. GLOCKER, . . . . .	21
The Minimum Wage in the Machinists' Union. By W. H. BUCKLER, . . . . .	25
The Apprenticeship Ratio in the Iron Molding Industry. By J. M. MOTLEY, . . . . .	28
The Boot and Shoeworkers' Union Stamp. By G. A. BAGGE, . . . . .	32
The Collection of Trade Union Revenue. By A. M. SAKOLSKI, . . . . .	37
History and Theory of Insurance. By C. C. HALL, . . . . .	40

# THE JOHNS HOPKINS UNIVERSITY CIRCULAR

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New Series, 1905, No. 6

JUNE, 1905

Whole Number, 179.

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## THE ECONOMIC SEMINARY, 1904-1905,

EDITED BY

PROFESSOR J. H. HOLLANDER and DR. G. E. BARNETT.

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The Economic Seminary has continued its investigation into the history, activities and influence of labor organizations in the United States during the current academic year. Its membership has been narrowly limited to advanced students preparing for a scientific career in economic study, and its primary design has been the development of sound method in economic research. The regular fortnightly evening sessions have been supplemented by briefer morning sessions in alternate weeks. The material resources necessary for the inquiry have been supplied by the continued generosity of the citizen of Baltimore, whose original gift made its inception possible.

Appreciable progress has also been made by individual members of the Seminary in the study of specific aspects of the several questions assigned for investigation. During the summer, field work was carried on in various carefully selected localities, and the data thus collected have since been supplemented and corrected by documentary study and personal interview. Certain preliminary studies were completed and published in dignified form, and two senior members of the Seminary submitted monographic studies of the particular subjects on which they have been engaged, in part fulfillment of the requirements for the doctor

of philosophy degree. These will appear in the twenty-third series of the *Johns Hopkins Studies in Historical and Political Science*. Early in the next academic year a coöperative volume of "Essays in American Trade Unionism" will also be issued by the Seminary, embodying the preliminary results of the various investigations now in progress and ultimately designed for monographic publication.

The record of the proceedings of the Seminary, and abstracts of certain papers there presented, are appended :

- |          |     |  |
|----------|-----|--|
| October  | 5.  | Report of the summer's field work, by Professor HOLLANDER, Dr. BARNETT, Messrs. KIRK, MOTLEY, HILBERT, GLOCKER, KENNEDY, and BLUM. |
| October  | 11. | "Trade Union Agreements in the Iron Molders' Union," by F. W. HILBERT.   |
| October  | 17. | Report on the summer's field work, by W. H. BUCKLER.   |
| October  | 26. | "Functions of the Knights of Labor and the American Federation of Labor," by WM. KIRK.   |
| November | 2.  | "Finances of the Iron Molders' Union," by A. M. SAKOLSKI.  |
| November | 8.  | "Collective Bargaining in the International Typographical Union," by Dr. GEORGE E. BARNETT.  |
| November | 16. | "The Apprentice in the Building Trades," by J. M. MOTLEY.  |
| November | 22. | "Shop Rules in the Building Trades," by S. BLUM.   |
| November | 29. | "School Taxation in the Indian Territory," by Professor HOLLANDER.   |
| December | 7.  | "Shop Rules in the Building Trades," by S. BLUM.   |
| December | 13. | "Recent Court Decisions Affecting Labor Unions," by L. M. R. WILLIS.   |
| December | 21. | "The Open Shop," by Dr. GEORGE E. BARNETT.   |
| January  | 11. | "The Structure of the Iron Molders' Union," by T. W. GLOCKER.  |
| January  | 17. | "The Maryland Workmen's Compensation Act," by Dr. GEORGE E. BARNETT.   |
| January  | 25. | "The Meeting of the Economic Association at Chicago," by Professor HOLLANDER.  |
|          |     | "The Beneficiary Features of the Railway Unions," by J. B. KENNEDY.  |
| January  | 31. | "Reform Movements in Baltimore," by S. BLUM.   |
| February | 8.  | "The Functions of the Allied Trades Council," by WM. KIRK.   |
| February | 14. | "A Sketch of David Ricardo," by Professor HOLLANDER.   |

- February 24. "The Development of Apprentice Laws in American Labor Unions," by J. M. MOTLEY.
- February 28. "The Origin of the Constitution of the International Typographical Union," by Dr. GEORGE E. BARNETT.
- March 8. "The Standard Wage in the Machinists' Union," by W. H. BUCKLER.
- March 22. "Beneficiary Expenditures of American Trade Unions," by A. M. SAKOLSKI.
- March 29. "Statistical Methods," by Hon. CHARLES P. NEILL, U. S. Commissioner of Labor.
- April 4. "The Government of General Federations of Labor," by WM. KIRK.
- April 11. "The Union Stamp of the Boot and Shoe Workers' Union," by G. A. BAGGE.
- "Cunninghame's Geometrical Political Economy," by Dr. T. H. TALIAFERRO.
- April 18. "The Administration of Trade Union Finances," by A. M. SAKOLSKI.
- May 2. "The Rise of the National Union," by T. W. GLOCKER.
- "The Baltimore Municipal Loans," by S. BLUM.
- "The Recent Nine Hour Decision of the Supreme Court," by F. W. HILBERT.
- May 9. "The Trade Union Agreements in the Building Trades," by F. W. HILBERT.
- May 16. "Trade Union Rules for Maintaining the Standard Rate," by S. BLUM.
- May 23. "Beneficiary Features of the Iron Molders' Union," by J. B. KENNEDY.

## THE ORIGIN OF THE CONSTITUTION OF THE TYPOGRAPHICAL UNION.

BY DR. GEORGE E. BARNETT.

As early as 1836, an attempt was made to unite the typographical societies in the United States in a national organization. At a national typographical convention held in Washington, November 7-11, 1836, a constitution was framed and submitted to the various societies. In 1837, this constitution was amended in minor details and the National Typographical Association formed. The Association, however, apparently died at its birth.



In 1850, a call for a national convention was issued by the New York, Boston, and Philadelphia Typographical Unions and on December 2, 1850, a "National Convention of Journeymen Printers" met in New York with delegates present from six unions located in five states. Desirous of securing a fuller representation before taking decisive action, the convention adjourned for a year without drawing up a constitution. At the convention held in Baltimore in 1851, ten unions in seven states were represented and the convention proceeded to the formulation of a constitution for the proposed national organization. For this purpose a committee of seven was appointed. The committee finished its labors in one day and the constitution submitted was adopted by the convention with only a few unimportant changes.

The constitution thus adopted was probably the earliest constitution of a national American trade union. It remained unchanged even in many minor features until 1885, and its main outlines are still perceptible in the present constitution of the International Typographical Union. As other trades formed national unions, the constitution of the printers was studied closely and to a considerable extent imitated. It is consequently a matter of some interest to determine the source of the constitution of 1851.

The committee which drew up the constitution of the Typographical Union borrowed almost without change, except for unimportant omissions, the constitution of the Right Worthy Grand Lodge of the Independent Order of Odd Fellows of the United States of America. No mention of this fact was made in the report of the committee, but a comparison of the two constitutions reveals such striking similarities, both verbal and general, that the connection between them can be clearly established. A single clause, taken almost at random, will illustrate their similarity. Article IV of the Constitution of the Grand Lodge of the Odd Fellows read in 1851 as follows :

"The Grand Sire shall preside at all meetings of the Grand Lodge, preserve order, and enforce the laws thereof. He shall have the casting vote whenever the Lodge shall be equally

divided ; but shall not vote on any other occasion. During the recess of this Grand Lodge he shall have a general superintendence of the interests of the Order and make a report to the next stated meeting of his acts and doings in relation thereto. He shall not hold any elective office in any state, district, or territorial Grand Lodge or Grand Encampment, while acting as Grand Sire."

Sec. 1, Art. IV of the Constitution of the National Typographical Union as originally adopted read as follows :

"The President shall preside at the meetings of the National Union, preserve order, and enforce the laws thereof. He shall have the casting vote whenever the National Union shall be equally divided ; but shall not vote at other times. During the recess of this National Union, he shall in conjunction with the Vice-presidents have a general superintendence over the interests of the craft ; and make report immediately upon the assembling of the National Union of his acts and doings in relation thereto. He shall not hold any office in a Subordinate Union while acting as President of this National Union."

All other parts of the two constitutions show the same similarity. The seventeen articles of the Odd Fellows' constitution were condensed into ten, but the changes made were almost without exception unimportant. Even in a matter so vital to a new organization as taxation the committee submitted to the convention a provision exactly like that in the constitution of the Grand Lodge of the Odd Fellows, viz. that the subordinate bodies should pay ten per cent. of their receipts to the national body. The convention reduced the percentage to five but retained the basis of taxation. The constitution as originally submitted provided for State Unions to correspond to the state Grand Lodges of the Odd Fellows, but the non-existence of any such bodies led the convention to make the local unions the constituent elements in the National Union.

The distinctive characteristic in the structure, thus constitutionally outlined, was the predominance given a representative body known in the one case as the Grand Lodge and in the other as the National Union. This body possessed "exclusive jurisdiction," it was made the "ultimate tribunal to which all matters

of general importance . . . shall be referred," and its "decisions thereon" were to be "final and conclusive." It elected all officers, passed all laws and decided all judicial questions. Legislative, judicial and executive powers were thus combined in one body.

The general plan of the constitution of the Grand Lodge of the Odd Fellows fitted in well with the vague aims of the founders of the Typographical Union. The Odd Fellows have always had a highly decentralized form of government. The central organization designed by the Typographical Convention of 1851 was not intended to be other than legislative and judicial. The powers which it was believed such a body could beneficially exercise were very largely such as were exercised by the Grand Lodge of the Odd Fellows. It was not supposed that the coöperation of the local unions would go very far. A government by a kind of supreme council consequently answered every purpose. The regulation of the movements of members from the jurisdiction of one local to that of another was for many years the chief function of the Typographical Union.

When at a later time the functions of the national union expanded, the old form of government proved itself unsuited to the new conditions. For twenty years enterprising spirits among the printers urged the reorganization of the National Union but the old constitution held strongly and even at the present time gives distinctive form to the government of the Union. The large place occupied in the government of the Typographical Union by the convention is a historical survival of the earliest stage in the formation of national unions in the United States.

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#### DISABILITY INSURANCE IN THE RAILWAY BROTHERHOODS.

BY J. B. KENNEDY.

The distinctive characteristic of the insurance features of railway organizations has been the placing of disability insurance on an equality with death insurance. The fact that railway

employees are specially exposed to the risk of disabling accidents has been the chief influence in this direction. The large number of claims paid for disability in the Conductors' and the Firemen's beneficiary departments during recent years shows the high importance of disability insurance to the men engaged in the more hazardous occupations.

The disability claims paid among the Firemen for the eleven years from 1894 to 1904 were 24.5 per cent. of the total number of claims paid, about one-third of the number of death claims paid. Among the Conductors the disability claims paid during the same period, amounted to one-seventh of the death claims paid.

The percentage of disability claims has gradually decreased in each of these organizations for some years. The disability claims paid by the Conductors in 1894 were 15.6 per cent. of the total number of claims paid, and at the close of 1904, 11.8 per cent.; while among the Firemen the percentages for the biennial terms 1894-1896 and 1902-1904 were 32.9 per cent. and 21.4 per cent. respectively. The number of disability claims per 1000 of the total membership furnishes a better basis of comparison. In the biennial terms 1894-1896 and 1902-1904 the disability claims paid by the Firemen were respectively 6 and 4.3 per 1000 of the total membership. This decrease is due partly to greater efficiency in the administration of the disability insurance laws and partly to improved conditions under which the duties of conductor and fireman are performed.

The old line companies do not offer the form of disability insurance required by railway employees. These companies issue accident policies against death and total or partial disability from accident while on duty, but there are two defects in the form of this insurance. In the first place, the definition of total disability adopted by the companies is much stricter than that of the insurance departments of the railway brotherhoods. A typical insurance company definition of total disability is incapacity from "prosecuting any and every kind of business pertaining to a regular occupation from the loss of both eyes, both hands, both feet, or one hand and one foot"; while partial



disability is "the loss of one hand or one foot or any injury preventing the performance of one or more important daily duties pertaining to a regular occupation." In other words, to secure the indemnity for total disability, the insured must be disabled from performing any regular labor whatever. In the railway organizations total disability is usually defined to mean inability of the insured to continue in his position and has no reference to general disability. Secondly, the disability insurance offered by the companies is joined with accident insurance affording a weekly indemnity during the period of illness due to accident. The railway employee, if he insures against totally disabling accidents, must also insure against temporarily disabling accidents, since the companies do not separate the two forms of insurance. The covering of all accidents in one policy necessitates a heavy premium. For example, for an engineer to secure accident insurance including besides weekly indemnity of \$20, provision for the payment of \$1000 in case of death or total disability resulting from accidents he must pay an annual premium of \$50.40 or \$56.00 according to the section of the country over which he runs or the system by which he is employed. The combination of life with disability insurance meets the needs of the ordinary railway employee better than any other combination.

The formative period of the two older organizations furnished opportunities for a study of the disability benefit and showed its usefulness in strengthening the national unions. These organizations, however, experienced grave difficulties in their attempts to administer disability insurance. The Engineers included "totally disabled members" among the beneficiaries of the fund provided for in 1866. The by-laws of the insurance association founded by the Brotherhood on December 3, 1867, provided for assessments of 50 cents per member for the benefit of each totally disabled member—one-half the amount assessed in case of death. The history of this benefit was tersely summed up by General Secretary-Treasurer Abbott in his address to the Engineers' Association, December 3, 1871: "The Baltimore convention, 1869, adopted a disability clause, the Nashville, Tenn., conven-

tion, 1870, amended it, and the Toronto, Canada, convention, 1871, repealed it." At St. Louis, 1872, the Brotherhood formed a separate association, known as the "Total Disability Insurance Association," for furnishing insurance against disability to members. An entrance fee of \$2.00 was required and the assessment was fixed at \$1.00. In 1876 the convention dissolved the total disability insurance association and the Engineers did not succeed in establishing a satisfactory system of disability insurance, until 1884 when the prosperous condition of the Insurance Association enabled the convention to carry out its long cherished plan and to make provision for the payment of the same benefit in cases of total disability as at death. In the call of the Conductors for a convention to effect a permanent organization issued, November, 1868, the purpose of the proposed Order was stated to be the protection of "the members and their families in case of sickness, accident, or death." The Mutual Insurance Association instituted by the first convention paid a disability benefit equal to the death benefit. The law under which the Association operated was repealed at the second convention, October, 1869, but when the third convention, October, 1870, adopted a new insurance plan, it was provided that disability insurance was to be paid in an amount equal to that paid in case of death. Not until 1881, did the Conductors satisfactorily solve the problem.

The difficulties experienced by the Engineers and the Conductors in establishing disability insurance without doubt served to deter the Firemen from adopting disability insurance until their fifth convention, 1878. During the period, 1868-1880, the disability benefit was in process of evolution. By 1880 the three older organizations had demonstrated the possibility of maintaining the benefit and since that time it has been regarded as an essential element in railway insurance systems. Hence the Trainmen in 1883, the Telegraphers in 1887, and the Switchmen in 1886 in their first constitutions and the Trackmen in 1893 made the disability insurance equal to that paid in case of death. All of the railway organizations, except the Telegraphers, follow this policy at the present time. Since 1897, the Telegraphers

have not paid a disability benefit. They provide, however, that should a member become totally or permanently disabled, the insurance committee may order his assessments paid and shall deduct the amount of these assessments when the benefit is finally paid. The failure of the Telegraphers to pay a disability benefit is largely due to the fact that their occupation is less dangerous than other forms of railway service.

The principal obstacles to the successful operation of disability insurance have been the difficulties experienced in its administration—largely on account of the impracticability of defining closely permanent or total disability. With almost every revision of the constitutions changes were made in the definition of the term “disability.” Strict construction of the law by the executive officials led to dissatisfaction and often to appeals from their decisions to the insurance committees or to the boards of trustees. During the early years disability claims were often presented through subordinate officials, who were unable to interpret aright the laws or were unwilling to assume the responsibility of pronouncing the claims illegal. Consequently the disability laws were not successfully carried out until the subordinate officers were educated to their duties and responsibilities, and until more satisfactory definitions of permanent or total disability were adopted. The Engineers, after a period of thirty-two years, in 1898 adopted a satisfactory definition of total disability: “Any member of this Association losing by amputation a hand at or above the wrist joint; a foot at or above the ankle joint; or sustaining the total and permanent loss of sight in one eye or both eyes, shall receive the full amount of his insurance.” Similar definitions of disability have been worked out by the other railway organizations. The Conductors add to this “total loss of the sense of hearing.” The Switchmen include “the loss of four fingers of one hand, at or above the second joint; or of three fingers and thumb of one hand, at or above the second joint.” Under these laws, the brotherhoods are able successfully to pay disability insurance.

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## ADJUSTMENT OF WAGES IN THE FOUNDRY TRADE.

BY F. W. HILBERT.

During the early years of the Iron Molders' Union piece-work was the rule in stove molding only ; but as the work of the machinery foundries increased and a larger number of pieces of each pattern were molded, piece-work became more common. There was great diversity, however, in the price paid for the same or similar pieces in different localities as well as little uniformity in the wages paid by the day. As early as 1863 a committee was appointed by the Iron Molders' Union to gather statistics of wages, and in 1866 the unions in Troy and Cincinnati issued price lists giving the prices paid in those cities for stove and hollow-ware molding. The president of the Union recommended that the example be followed in other cities ; but apparently without result, as in 1880 he again complained that want of thorough knowledge of prices in the several localities was the main trouble in maintaining wages. Employers claimed to know such prices and the molders were unable to meet them with indisputable facts. The president urged that "details be studied, guess work abolished, and absolute certainty on any and every point in the trade connected with wages and prices should take the places of their usual haphazard way of doing business." It was not, however, until the Stove Founders' Defense Association was formed and annual conferences with the Iron Molders inaugurated in 1891, that uniformity in the pay for piece-work was secured to any considerable degree in the stove trade. By 1892 prices were practically uniform and those then prevailing became the basis for settling prices on new work.

Piece prices in the stove trade have not been cut down in the manner complained of by the workmen in other trades. The Defense Association conceded that where prices of work were set according to well established precedents and rules of conferences agreements they should remain unchanged. Improved methods have, however, in some cases reduced these prices, and at the 1892 conference between the Molders and the Defense Association



a resolution was adopted that, "Whenever by improved appliances, new or different methods, or superior facilities introduced by the manufacturers an increase in the quantity of work produced can be made, the price of molding may be decreased proportionally, provided the new price shall not reduce the average wages of the molder who makes it."

In the conference of 1893, the Iron Molders made a formal demand for fifteen per cent. increase in prices, but the representatives of the Defense Association were able to show that the general conditions of trade were such that the selling prices of stoves could not be increased. The representatives of the Iron Molders said in their report to the Union: "In the presentation of their (the employers') case in this phase of their inability to comply immediately with our request for the advance of fifteen per cent. on present prices of molding, they had greatly the advantage of the union's committee in the exact figures they brought to substantiate their propositions." The officers of the Union began thereafter to tabulate systematically the prices paid in every shop in which its members worked, as well as other statistics relating to foundry work. At all subsequent conferences, the representatives of the Union have been nearly, if not quite, as well informed as the representatives of the Defense Association.

From 1892 to 1899 wages were not reduced, notwithstanding the severe depression during that period. In 1895, the Defense Association gave the thirty days' notice of a reduction, required by the agreement, but after a thorough discussion it was decided not to disturb the prices paid for stove plate molding provided the Union was successful in resisting the reductions which certain employers, who were not members of the Association, had given notice that they would make. The president of the Union reported that in three instances the molders had to be withdrawn from stove foundries in order to resist reductions, the acceptance of which would have constituted a violation of the agreement. The first increase in wages was granted by the conference in 1899. The Molders asked for a fifteen per cent. advance, and the Defense Association offered ten per cent. which was accepted by

the Molders. The most important employers outside of the Association at once gave the advance and all others were soon forced to follow the same course. In 1900 an advance of five per cent. was made and it was shown to the satisfaction of the representatives of the Molders that a greater increase at that time would raise the selling price of cast iron stoves so high that steel stoves and cheap stoves of sheet iron would be substituted. Another advance of five per cent. was made in 1902, and the stove manufacturers outside of the Association granted the same increase. The conference practically fixes wages in the whole trade of stove manufacturing.

The formation of a general wage scale between the Molders' Union and the National Founders' Association, composed of manufacturers of all kinds of castings, has not been so easily accomplished. As a preliminary, the Founders' Association classified its membership, and took a census of wages paid in foundries all over the country, intending to take the average as a basis for a minimum. The Iron Molders, however, objected to this plan on the ground that this systematic way of arriving at a minimum could only be acceptable if every locality which entered into the computation were upon a reasonably fair wage basis and under the control of the two organizations involved. The Founders' Association further contended for differentials between bench molders and floor molders, and between small communities and large cities. The Molders were entirely opposed to the latter half of the proposition, claiming that the same work should receive the same pay throughout the country, as in the case of stove molding; they were, however, willing to permit some difference to be made in the pay of different classes of molders, as some of the local agreements provide for such a differential, and others for a differential in the case of aged molders and journeymen just out of their apprenticeship and unable to earn the minimum wage.

The discussion continued without result during several annual conferences. In the meantime, the Union endeavored to put every district upon a so-called equitable basis as to wages, and both time and money have been spent in connection with this

leveling-up process. In 1899 the Molders, influenced largely by the ten per cent. increase granted by the Defense Association, demanded and received the same or a greater increase, from the machinery founders in nearly all the foundry centres. They then demanded sufficient increases in many of the outlying competitive localities to equal the new rates in the centres. All these changes were made by local agreements for one year. At the expiration of these agreements a further increase of twenty-five cents a day was sought in several of the larger cities where the molders were especially strong. The matter was referred to the conference committee, but after numerous sessions extending over a period of two months, the committee failed to agree upon a permanent rate, and each side was left to its own course. A test of strength centering in Cleveland followed, and resulted in a compromise. The contest emphasized the difficulty of forcing up a local rate of wages to make another local rate general.

The advantage of having a general standard wage, however, was not forgotten and in the 1903 conference the Founders changed the form of their proposition by suggesting an agreement under which the founder could pay any of his men as much over the standard as he saw fit, but would be privileged to employ forty per cent. of his entire force of molders at ten per cent. less than the standard rate which might be agreed upon. The Union, however, considered such a differential liable to abuse, and refused to recede from its demand for a minimum below which no molder should be paid but above which the employer should have a free hand. At this point the question of a standard wage now rests. No middle ground has yet been found upon which both parties are willing to stand.

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#### NATIONAL TRADE COUNCILS.

BY WILLIAM KIRK.

Federations of related trades or trade councils appeared in the United States at a later period than general federations. The International Building Trades Council organized in 1897 was

the first successful attempt to federate on a national scale various more or less closely related trades in a single industry. More recently two other national trade councils have been formed: the Metal Trades Federation whose constitution was adopted in January, 1903, and the Structural Building Trades Alliance, which held its first convention in August, 1904. In addition to the building trades and metal trades councils, there are printing trades councils in various places; but these organizations have remained local in character.

The International Building Trades Council, resembling to some extent the Metal Trades Federation and the Structural Building Trades Alliance, differs from them in one important particular. The first is primarily an alliance of local building trades councils, whereas the Metal Trades Federation and the Structural Building Trades Alliance are federations of national trade unions. Thus the preamble to the constitution of the International Building Trades Council declares local trades councils to be "the most fruitful means presented to improve the condition of the men engaged in the building industry." Each local council is entitled to one delegate in the national convention for each trade represented in the local council, but no delegate is entitled to more than one vote. National trade unions, and local unions of a trade having no national organization, are limited to one vote. To secure adequate representation, therefore, it is necessary for national unions to have their locals affiliated with local councils. Although the constitutions of the other allied trade federations provide for local councils of metal trades and building trades respectively, representation in the national convention is primarily of national and international unions.

When the convention is not in session, the direction of affairs rests with the general officers, consisting of a president, a vice-president or vice-presidents,—one in the Metal Trades Federation, six in the International Building Trades Council, and one for each affiliated national or international organization in the Structural Building Trades Alliance,—a secretary-treasurer, and finally an executive board, or board of governors, including the



general officers of the International Building Trades Council with the exception of the general secretary-treasurer and the executive officer of each national and international union in the Metal Trades Federation and the Structural Building Trades Alliance.

The most important activities of these federations are displayed in the power exercised in such typical fields as (a) jurisdiction disputes, (b) general conditions of work, (c) general or sympathetic strikes.

(a) Jurisdiction disputes between trades, due largely to the introduction of men and improved machinery where old trade boundaries are fading away and new ones appearing, are partly responsible for the formation of allied trade federations: The problem in administration has been to grant sufficient authority to the central executive for the settlement of trade disputes, and at the same time to preserve the complete autonomy of the affiliated unions. Thus the International Building Trades Council declares that it has "no authority to interfere with the trade regulations of any local building trades council" unless one local council interferes with the jurisdiction of another council. All appeals and grievances are submitted to the general executive board whose decision is final on all questions until the following convention. Similarly in the Structural Building Trades Alliance, final authority in trade disputes rests with the board of governors, or with the national convention if it is in session.

To prevent as far as possible the recurrence of internal conflict, the plan requiring the submission of a jurisdiction statement has been adopted. In the building trades, for example, each organization affiliated or desiring affiliation in a building trades council is required to make a detailed statement defining the class of work claimed by the trade. If the claim of a union seeking membership interferes with another trade in the council, and cannot be satisfactorily settled by the executive board, the application for a charter is rejected.

(b) National trade councils are active in improving general working conditions of those trades represented in the industry. Among the more important objects of the councils are the secur-

ing of the eight hour day, the use of the union label, the enforcement of the use of the working card, and the introduction of arbitration.

The shorter work day figures prominently in all present activity, and is a special aim of the International Building Trades Council. The label as a trade device has been used effectively by allied printing trade councils and the metal trades, and to some extent by the allied building trades. Owing to the peculiar nature of the building industry, a general label was considered at first to be impracticable. Later the demand arose for a building trades label, and the fourth convention, 1901, of the National Council adopted a design to be used on buildings erected entirely by union labor. This label has since been placed on stores, dwellings, and office buildings in several large cities.

The working card may also be regarded as an important factor in the improvement of labor conditions. Thus the constitution for local councils affiliated with the International Building Trades Council declares "It shall be the duty of the council to encourage agreements with reliable contractors which will guarantee the employment only of mechanics and laborers in possession of the current quarterly working card of the National Council." When the working card is in this way made a condition of work, the claim is advanced that it strengthens the union or council and serves as a prompt collector of dues. No member who is in arrears above a certain amount is in good standing or entitled to work under the agreement. The card of a painter for example does not allow him to work on a building unless he has, in addition to his own trade union card, the card of the National Council, and he cannot obtain the latter unless he has the former. Finally, the arbitration of all differences receives considerable attention from allied trade federations. Local and national conferences with employers are held whenever possible, and every effort is put forth to uphold trade agreements and avoid strikes.

(c) Federations of related trades have little to do with local or national trade strikes, but they do not hesitate to inaugurate general or sympathetic strikes whenever conferences with employers fail to settle important questions. The advocates of trade

councils argue that the employer has little to fear from trade organizations acting independently, for some unions will remain at work while others in the same industry are on strike. On the other hand, general or sympathetic strikes, involving all trades in a given industry, seriously cripple the employer. The usual steps leading to an allied trade strike are as follows: A local union desiring the support of affiliated unions submits a statement of its grievance to the local council. The executive board of the council, or in some cases the board of business agents, composed of paid representatives of the different unions, endeavors to adjust the trouble before further action is taken. Failing in this the executive committee in some instances, the local council in others, decides whether a general strike shall be called. In the Metal Trades Federation, the report of the local council is referred to the executive officer or the secretary of each affiliated union, who ascertains the opinion of his own trade executive board. If a two-thirds vote of the affiliated unions is in favor of supporting the grievance, and final efforts to adjust the trouble fail, a general strike led by the president of the Federation is declared. Once a strike is entered upon, the trade councils depend largely upon the individual unions to support their own members. The International Building Trades Council, however, instructs the general secretary-treasurer to keep as an emergency fund a sum equivalent to a per capita tax of five cents for each member of affiliated unions, and to levy an assessment of five cents per member whenever the emergency fund sinks below this amount.

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#### MACHINERY IN THE STONE CUTTING INDUSTRY.

By S. BLUM.

The regulation of machinery in the building trades is left in most cases to the local unions; but among the stone-cutters, where the 'planer' has displaced many men, there are vigorous national rules restricting its use. Until 1904, the machine policy of the national union was not clearly defined. The rule forbid-

ding the transportation of cut stone from one place to another unless the interchange be mutually agreeable, was utilized as one of the methods employed in checking the use of machine-cut stone. The locals were required to make every effort possible to prevent the introduction of the planers in a jurisdiction where planers had not yet been introduced; but since the absolute prohibition of the planer was impracticable, the locals might allow its use if once introduced. All planers were to be operated by stone-cutters, and the planer was not permitted to be used more hours per day than the working day of the stone-cutters in that local. The same policy of restriction was used against the stone-pick. Its use was to be discouraged in every manner and in no case could the pick be used on any stone that was to be shipped to any place where the pick was not used.

In the convention of 1904 the questions of the planer and of the importation of cut stone, were the main topics discussed. The debate showed that the restriction of the planer had not been successful, and brought out clearly the antagonism in interests between the shipping points and the non-shipping points. The smaller locals feared that if they had no power to restrict the shipping of cut stone into their jurisdictions, they would be forced out of existence. The rules passed at this convention were designed chiefly to control the planer where it had been introduced. The locals are now required to rigidly enforce the rule that all planers within the jurisdiction of the union shall be operated by members of the union. The machine is to run only eight hours per day, but in case of necessity a double shift will be allowed. This is a concession over the previous rule which did not provide for a double shift. Planer men must receive the same rate of pay as other members of the local. Furthermore members of the Association are prohibited from cutting, fitting or setting any machine-cut stone unless the machines are operated and controlled by members of the Association. The greatest modification, however, was made in the rules governing the transportation of cut stone. In place of the blanket prohibition against shipping cut stone except where the interchange was mutually agreeable, the present law provides that cut stone may



be shipped "from branches where planers are operated by stone-cutters, and where wages and hours are equal at the time the contract was let. But in no case shall planer-cut stone be shipped into the jurisdiction of any branch that has succeeded in keeping the planer out of their jurisdiction." This rule makes absolute the prohibition of the importation of planer-cut stone into jurisdictions where it has not been introduced, but it takes away from the locals the arbitrary power to place an embargo upon any stone they see fit. Hand-cut stone also may be shipped between branches, where equal wages and hours prevail.

Although the national body has attempted to regulate the machine, the locals also have power to add restrictive rules. Certain locals are content with the constitutional provision that the union shall control the machine. Other locals in an attempt to directly limit the displacement of labor require that a certain number of journeymen shall be employed for each machine used. While the number of men displaced varies with the size of the machine and with the quality of the stone, each machine will displace from eight to fourteen men. In Salt Lake City twelve men must be employed on a double planer. This is the largest number of journeymen per machine of which there is record. In New York five stone-cutters must be employed for each man employed at the planing machine, and when five stone-cutters are discharged or suspended one planer hand shall also be discharged or suspended, and so on till a final suspension of work.

The policy of restriction has not been successful. While it unquestionably has delayed the displacement due to the use of the machine, it has also caused a serious secession of members from the Association to a rival organization, which does not restrict the use of the machine. The policy of the stone-cutters does not take into account the readiness with which other material may be substituted for stone. Brick, tile, and terra-cotta come into close competition with stone and it is only by making stone cheap that its use in buildings can be increased. The planing machine tends to extend the use of stone by reducing its cost. Furthermore the policy of the Association is not regarded as a

temporary expedient, designed to enable the craft to pass without unnecessary hardship to the machine stage. If the restriction of the planer gave evidence of being only a temporary device, if a decrease of apprentices were provided for, or if the admission into the craft had been made more difficult, so as to make the membership correspond in some manner, even if roughly, with the new requirements of the craft, the machine policy of the stone-cutters might be in some degree justified. But on the contrary, the stone-cutting trade faces more and more the inroads of machinery and offers only a cumbrous and ignorant opposition to the inevitable. Employers' hostility and internal dissension are the results.

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#### THE UNIT OF GOVERNMENT IN THE MEAT CUTTERS' AND BUTCHERS' UNION.

BY T. W. GLOCKER.

Prior to 1897, the meat cutters and butcher workmen of North America were only organized in a few widely scattered cities. There were, at the close of the year 1896, twelve local unions affiliated with the American Federation of Labor, and two other unions entirely independent of any labor organization. Of these locals, however, five were almost extinct; and the total membership, even including these five unions, did not much exceed three hundred butchers. On the other hand, the meat industry of the country, both wholesale and retail, had in large part, been consolidated under the control of six great firms among whom it was already rumored "a gentlemanly agreement" existed. Under such conditions, it was hopeless for the small local unions to attempt to cope with the employing firms. The demands of employees were, indeed, generally ignored by the packers, and attempts to organize unions were ruthlessly crushed out. To maintain relations with the heads of the great packing houses upon more equal terms, an international union, known as the Amalgamated Meat Cutters and Butcher Workmen of North America was chartered in January 1897, by the

American Federation of Labor. By the first convention in December 1897, the International Union had under its jurisdiction twenty-eight locals, and, immediately prior to the great strike in the summer of 1904, the number of locals had increased to nearly three hundred with a total membership of 75,000.

The rise of the so-called "Beef Trust" not only hastened the growth and strengthened the power of the international organization, but also necessitated an increase in the size of the unit of government. In order to oppose to the great packers one single, solid body, it was decided at the convention of the American Federation of Labor, held in Nashville, Tennessee, December, 1897, that the Amalgamated Meat Cutters and Butcher Workmen should include every wage earner who handles meat from the man who takes the bullock on the hoof to the retail clerk who cuts the meat for the consumer. Nevertheless, the Amalgamated Meat Cutters and Butcher Workmen cannot in a strict sense be called an industrial union. It includes only those employees who handle meat and utilize the by-products; and these men may, with some stretch of the imagination, be considered members of a single craft. Unlike the Brewery Workers, and a few other international unions, the Amalgamated does not include the members of those auxiliary trades, such as the stationary firemen, the stationary engineers, the coopers and the teamsters, who, while an integral part of the machinery of production, are yet quite distinct from the main body of workers.

The history of the Meat Cutters and Butcher Workmens' Union has demonstrated that this exclusion of the auxiliary trades possesses certain advantages and certain disadvantages. On the one hand, the butchers have avoided the difficulty of trying to harmonize with themselves, distinct trades of whose needs, interests and technique, their officers are probably wholly ignorant. On the other hand, in attempting, either independently or in sympathy, to conduct a boycott or strike against a common employer, the several organizations in the packing houses have often come into conflict, and, at times, have seriously neutralized each other's efforts.

But, if not an industrial union, the Butchers' Union is, never-

theless, a complex amalgamation of workers in many branches of an exceedingly complex industry. The membership of the Union broadly includes the wage earner in the packing house or abattoir, and the meat cutter who is employed in the retail market or grocery store. In extending their jurisdiction to include this branch of the industry, the butchers have come into direct conflict with the Retail Clerks' Protective Association, who claim jurisdiction over the meat cutter on the score that he is a retail clerk. The butcher workers desire jurisdiction, because in case of a strike or a boycott against one of the packing houses, the meat cutter can render a valuable service by refusing to cut the meat slaughtered by such a firm. At the same time, the butcher workmen have made every effort to improve the condition of those members engaged in this branch of the industry in order to retain them in the union. In consequence, though the interests of the meat cutters are possibly more closely allied to those of the retail clerks, they, nevertheless, have probably fared better under the jurisdiction of the Amalgamated.

Within the slaughter house are many departments or subdivisions of the craft. The butchers,—properly so-called,—and their helpers include the cattle butchers, the sheep butchers, and the hog butchers, the live stock handlers, the beef luggers—stalwart men who lift and pack the great sides of beef—cooler men, truckers, and laborers. Another class is formed by those who prepare the meat in various ways for preservation and consumption, such as the dry salt men, the sweet picklers, the sausage makers, the canners, the ham house employees. Another class are those who are engaged in the utilization of by-products, as, for example, the green hide men, the oleomargarine workers, the wool workers, the lard refinery employees, the hair workers, and the soap workers. Each of these several departments is, moreover, further sub-divided. There are, for example, in the department of cattle butchering alone, over thirty special activities from the expert floorsman and splitter to the unskilled tail ripper and gullet raiser. In consequence of this division of labor, over seventy-five per cent of the 40,000 to 50,000 men employed in the packing houses of Chicago may be termed unskilled. The



skilled workers are mainly confined to the butchering departments; and a tendency has sometimes been shown to limit the membership of the Union to the more expert in their departments. But it has since been realized that the unskilled, if unorganized, are a menace to the skilled on account of the present minute division of labor which renders it possible for the beginner to pass rapidly from the simplest to the most difficult grade of work. Moreover, as was manifested in the great strike of 1904, the butchers desire to raise the condition of the unskilled. Therefore, partly from self-preservation, partly from altruistic motives, a broader policy has prevailed.

Finally, the elements within the Amalgamated are further multiplied by the admission of women, of negroes, and of men of many nationalities,—Irish, Germans, Bohemians, Slovaks, Poles, and Lithuanians. How are these many discordant elements of craft, sex, color, and race harmonized and brought under the control of the International Union? The division has been made primarily according to departments, or branches of the industry; and the unit of demarcation has been the local union: The meat cutters are, whenever possible, gathered into separate locals. In the large packing centres, such as Chicago, Kansas City, or South Omaha are to be found local unions of cattle butchers, hog butchers, oleo workers, and hide cellar men. All the employees in a single department are gathered into one union, irrespective of skill. Thus the local union of cattle butchers includes both the expert floorsman and the unskilled penner. The beef luggers' union includes also such common laborers as the cooler hands and the truckers. In the small towns, however, all meat cutters and butcher workmen are often united in one mixed union. It has usually been found impracticable to organize women and men in the same local. At the same time, the women in many departments are not numerous enough to be separated on the basis of sub-division of the industry. Therefore, the women working in the packing houses at Chicago or South Omaha, for example, are gathered into what is known as the woman's union. The Amalgamated Meat Cutters and Butcher Workmen of North America does not recognize, by distinct units

of government, differences of race, color, or nationality. In the early days of the woman's union in Chicago, a colored girl asked admission to the meeting room. "Admit her," said the president, after a moment's silence, "and let every one give her a hearty welcome." Since then, all women have been admitted to membership irrespective of race or color. The difference of language sometimes presents difficulties, but these are largely overcome by the use of interpreters, and by printing all documents in several languages. Harmony and unity of action is maintained between the several locals in one city by means of the packing trades council, in which are usually represented not only the unions affiliated with the Amalgamated but also locals of independent auxiliary crafts employed in the packing houses.

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#### THE MINIMUM WAGE IN THE MACHINISTS' UNION.

BY W. H. BUCKLER.

All trade unions attempt to fix minimum wages in their trades, and their devices for maintaining the minimum deserve careful study. The problem how to maintain such a minimum varies in each of the trades because of the diversity in the conditions surrounding them. It is therefore best to choose for study a trade in which conditions have varied and minimum rates are unstable. The machinists' craft furnishes just such a case. The advantage of studying one particular trade is particularly manifest, when our object is to compare the various methods of paying wages.

It is hard to define who is a machinist, since from being a skilled hand-worker he has in recent years evolved into a skilled operator of many different kinds of machine tools. The minimum wage in this trade is a true minimum, and wages far higher than it are often paid. Diversity in the scales of machinists' wages, though not popular with the men, seems distinctly to be on the increase. The terms "standard" and "minimum" rate have different meanings, as used by machinists in this country.

By "standard" wage is meant the wage received by the largest number of the workmen.

I. The causes affecting the minimum wage, as to which the initiative lies with the Machinists' Union, are :

(a) The maintenance among machinists of a strong organization. External strength in the union organization is valuable, as shown by the relations of the International Association of Machinists with the Amalgamated Society of Engineers ; and the importance of internal strength and discipline is equally obvious.

(b) The fixing of minimum rates by agreement. 1. The number of written agreements between union machinists and their employers has of late years greatly increased. The "union shop" clause sometimes inserted into these agreements is intended to protect the minimum wage but railway agreements never contain it. On the other hand, some owners of contract shops favor its insertion. The establishment anywhere of a minimum scale by written agreement is a sign of strength in the local lodge at that place. 2. Where the Machinists' Union is not strong enough to secure a written agreement, it usually attempts to fix a minimum scale by unwritten agreement ; but this method is much less satisfactory than the former, as under it the minimum rate may sink into complete abeyance.

(c) The limitation by the Union of the hours of work. This has an important bearing on the minimum rate, because it has caused overtime work to be paid at higher figures, and because the shortening of the working day to 9 hours has led to an increase in the rates of pay per hour. The desire for shorter hours is mainly based on the belief that such hours tend to increase the demand for machinists' labor.

(d) Control by the Union of admission to the machinists' trade. Such control is desired, for the protection of the minimum wage, partly in order to keep down the number of men seeking employment in the trade, and partly in order to maintain their standard of efficiency. Apprenticeship is therefore insisted upon as the only proper channel of admission. This policy includes : (1) opposition to the employment of helpers and handy-men in

machinists' work ; (2) strict limitation of the number of apprentices ; (3) proper training in the craft, which is insured by a four years' apprenticeship, and by the stipulation that the apprentice shall be given every chance to learn his trade, and that if, when his time is out, he cannot earn the minimum wage, he shall be dismissed.

II. The causes affecting the minimum wage, over the origin of which the Union has no control, but which compel it to modify its policy from time to time, are :

(a) Dullness or activity in the machinists' trade. When trade becomes dull and wages tend to fall, it is the policy of machinists to allow as little cutting of the minimum rate as possible. They prefer working shorter hours,—anything rather than lowering the rate. In good times they raise the rate as high as possible.

(b) The introduction of new machinery. Inventions have in the last 25 years revolutionized the work of the machine shop, and have thrown some men out of employment, and tended to produce specialists instead of all-around machinists. The "two-machine system" is a labor-saving arrangement which the Union bitterly opposes, on the ground that it deprives men of work. The specialist, long regarded as an inferior, was made eligible to the union in 1903.

(c) The introduction of new methods of paying wages. Day-work has certain disadvantages both for the machinist and for his employer. To overcome these, several new methods of paying wages have been devised (1) ordinary piece-work, (2) differential rate piece-work, (3) the bonus system, (4) the premium plan, (5) the contract system. Dislike of the Union for piece-work and for all systems resembling it ; preference for those which recognize the minimum wage principle.

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THE APPRENTICESHIP RATIO IN THE IRON  
MOLDING INDUSTRY.

By J. M. MOTLEY.

The development of the apprenticeship system in the iron molding trade discloses four distinct periods. The first began with the introduction of the trade in this country, about the year 1800, and extended to 1847 when the first local union was organized. During this period apprenticeship was largely a personal matter between the employer or journeyman and the boy, though certain customary rules were generally observed. The second extended from 1847 to 1859, the period intervening between the organization of the first local union and the formation of the International Union. Throughout this period each local enacted independently apprenticeship laws. During the third period, extending from 1859 to 1886, the power to enact laws concerning apprenticeship gradually passed from the locals to the National Union. The formation of the Stove Founders National Defense Association in 1886 marks the beginning of the fourth period. From that date until the present time apprenticeship rules have been largely influenced by the conferences between the representatives of the National Defense Association and of the Iron Molders' Union, though the final power to sanction laws is reserved to the membership of these organizations.

The struggle of these two bodies to reach a satisfactory apprenticeship ratio is in certain respects without a parallel in the history of any other trade and reveals the difficulty encountered in changing trade union rules which have once become firmly established. At the nineteenth convention of the Iron Molders' Union, held in 1890, a resolution was passed granting the incoming executive board power to confer with a similar body from the Defense Association for the purpose of adjusting the apprenticeship laws. Accordingly the first joint conference was held March 25, 1891, when the limitation of apprentices was discussed at length. As neither side possessed adequate data no definite action was taken other than the passage

of a resolution stating the actual condition of the trade and urging that the question receive an immediate investigation and readjustment upon a more reasonable basis.

At the second conference, convened in 1892, the apprenticeship question was the first measure considered and laws acceptable to both parties were set forth in three different articles, the first of which fixed a new ratio, the second regulated the term of service and the third determined the manner in which instruction should be given to those received. In commenting thereon the editor of the *Iron Molders' Journal*, who was a member of the board, said, "The three above clauses were unanimously agreed upon after the most careful consideration as a measure that would tend to harmonize differences between the two organizations on account of the restrictions and exactions under our present system."

Although considerable pressure was brought to bear by the leaders of the Union on their members to grant the proposed increase of apprentices, when the vote circular was submitted, the second and third clauses were accepted but the one fixing a new ratio, the most important, was rejected. In his address to the twentieth convention of the *Iron Molders' Union* in 1895 President Fox stated that he had made a special inquiry and found that some places had a ratio less than 1 to 8 (the union rule); others had as many apprentices as journeymen, while in other localities apprentices were largely in the majority. A general average of the bench and stove molding trade showed a ratio of 1 to 4 and furthermore that the 1 to 6 ratio could be allowed by the Union. The convention did not meet again until March, 1897, and in the meantime negotiations were conducted in joint conferences, both sides seeking mainly to secure the best terms possible in regard to wages, and using the apprenticeship ratio as a make weight in the wage discussion. In one of the conferences Mr. Castle of the *Defense Association* offered a resolution to abolish the *Berkshire system* provided an apprenticeship ratio of 1 to 4 was allowed. In refusing the proposition, President Fox stated that the *Berkshire system* existed in but very few of the stove shops and he believed that the day was

near at hand when it would pass away entirely. He did not feel justified in advocating a change in the ratio of apprentices merely for the purpose of securing its abolition.

In the spring of 1901 after both sides had collected data on the subject, it was decided by the joint conference that the legitimate needs of the trade demanded an apprenticeship ratio of 1 to 5. From the data collected it seemed probable that if the union ratio had been strictly adhered to, the supply of journeymen would have been inadequate to meet the legitimate demands of the trade. After much favorable discussion in the *Iron Molders' Journal*, the proposition was submitted to the trade for action. Little interest was taken in the matter, as returns were sent in from less than half the unions, but the proposed change was defeated by a vote of 15,842 to 504. A proposition, submitted at the same time, to establish a ratio between 1 to 5 and 1 to 8 met defeat by a vote of 12,314 to 3,978. The ratio of 1 to 8 had been embodied in the laws of the Union for more than twenty-five years, during which time wages had been greatly increased.

President Fox expressed his bitter disappointment at the result of the vote and ventured the opinion that the matter should be placed in the hands of the leaders of the Union who were always most active in bringing about needed reforms. This opinion was expressed at the 1902 convention of the Iron Molders, when another effort was made to secure a change of ratio. The committee appointed to consider the question, recommended the adoption of a ratio of 1 to 6. A minority report recommended a ratio of 1 to 7. Still another proposal granted power to the officers of the Union to negotiate an agreement with the employers, but all three propositions were voted down. Two reasons may be given for this action. In the first place, the employers had asked for a radical change of ratio from 1 to 8 and 1 to 4. At no time was there any probability that the convention would grant such an increase, and the mere request aroused the suspicion of the delegates as to the good intentions of the employers. Again, the impracticability of administering a law of limited application, for the ratio voted on was to apply

only to members of the National Defense Association, was recognized and it was urged that such a law would lead to serious difficulties.

When the proposition for a 1 to 5 ratio met such a signal defeat in the vote of 1901, the friendly relations between the Union and Association were seriously threatened, but the crisis was safely passed by an agreement entered into in March, 1902, under which employers not having sufficient molders were permitted to take additional boys, provided a careful investigation had been made and the claims of employers confirmed. In making such an agreement the officials of the Union exceeded their authority but if the good will and confidence of the Defense Association were to be maintained some concession was necessary.

At the conference in March, 1904, statistics were presented by the employers, which showed that the ratio actually observed in foundries operated by members of the Association was about 1 to 5 and that in independent shops it was slightly above 1 to 4. This statement was verified by data collected by officials of the Iron Molders' Union and was accepted by the conference as the proper and just ratio. At a meeting of the executive board of the Molders' Union, June, 1904, the conference agreement of 1 to 5 was approved but it was to apply only to foundries operated by members of the Defense Association. In September of the same year a circular was issued calling for a vote on the question of empowering the conference committee of the Iron Molders' Union to enter into an agreement with the Defense Association to establish an apprenticeship ratio in foundries controlled by members of that Association. All the influence possessed by the Union officials was exerted to carry this proposition. It was approved by the executive board, by a meeting of business agents, by prominent ex-officials, and the September and October numbers of the Iron Molders' Journal were devoted to discussing the change, with the result that in December, 1904, the returns filed with the national secretary showed that the proposition had carried. Thus ended a long, weary struggle of thirteen years.

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## THE BOOT AND SHOEWORERS' UNION STAMP.

BY G. A. BAGGE.

The trade union label is a strictly American device. Its origin was due to the competition between organized workmen with the American standard of living and unorganized workmen recently arrived from countries with a lower standard of living. The label movement was at first an appeal to the public to favor union-made commodities and to discriminate against articles produced by poorly paid labor or under unwholesome conditions. It has thus been argued, that the label is a guarantee for better workmanship and production under sanitary conditions. The argument has, however, lost a good deal of its weight because of recent labor legislation. It is not always true that the label now stands for these qualities. The unions often, for the purpose of organizing as many shops as possible in the trade, are lax in enforcing such rules. Many non-union shops can also show superior workmanship and sanitary conditions. This function of the label has thus been forced in the back-ground and its most important function in most unions nowadays is the rôle it plays as a factor in organizing the workmen.

The history of the Boot and Shoeworkers' Union furnishes a striking example. From the beginning the label has played an important rôle in the history of this Union. Before the formation of the present Boot and Shoeworkers' Union there were several smaller organizations in the trade, such as the Lasters' Protective Union, a branch of the Knights of Labor, the Cutters' Union, the Edge Setters' Union and so on ; most of which had their own labels. The multiplicity of labels caused confusion and lack of confidence. The desire to secure a common label for the whole trade led to a conference of the officers of the different unions in 1893. This conference recommended the adoption of one label for the whole craft ; the recommendation was acted upon by a committee of delegates from the unions and the "blue label" was adopted in 1894 as the label of the trade. This led to further coöperation between the unions ; a joint

convention was held in 1895 and the present Boot and Shoeworkers' Union was organized.

The main cause of the formation of the national Union was thus the label. The history of the decline and rise of the Union is also intimately related to the history of the label. The Union was founded on the principle of low dues and no benefit funds. This made an active label policy impossible because of the lack of funds for advertising and "booming" the label. But the contract for the use of the label offered the manufacturer was of such a nature, that it was necessary to create a demand for union-made shoes, before he could be induced to use the label. It was impossible to place the label upon the best goods made, and even the men belonging to the Union did not uniformly buy union-made shoes. Meanwhile the Union declined more and more in membership and power. The membership sank from 14,000 in 1896 to 4,000 in 1898.

The national officers realized that this was the beginning of the end and through their efforts a new policy was adopted at the fourth convention at Rochester, N. Y., 1899. The dues were raised to 25 cents a week per member and benefits were provided for. The higher dues made it possible to begin a vigorous campaign for the label, and the benefit feature enabled the national officers to enforce the label contract. The effect of this change in policy was striking. In 1896 ten factories were using the union label, in 1900 twenty-one, in 1901 sixty-one, in 1902 one hundred and twenty-five. At present there are three hundred and ten "union stamp factories." The manufacture of "union stamp" shoes increased during the years 1899-1904 from a few thousand pairs to approximately a million pairs daily.

The increase in the use of the label has been followed by an increase in membership and power. In 1900 the membership had dropped to 2910, owing to the resistance against the higher dues; to-day the Union has about 70,000 members. The Union has spread from Massachusetts to California, covering practically the whole of the United States and a part of Canada. During the years preceding 1889, 90 per cent. of the strikes were lost, now more than 90 per cent. are won. Many improvements in the

workman's position have been secured and reductions in wages are frequently defeated without recourse to the strike. The integrity of the arbitration contracts with the employers has been upheld, and most of the formerly independent unions have been brought into the national Union.

The label of the Boot and Shoeworkers' Union consists of a stamp, which is impressed on the sole, insole or lining of boots and shoes, made wholly by members of the Union. The general president is the custodian and manager of the Union stamp, and the stamp is copyrighted in his name. This, however, only means that he is the legal protector of the stamp against misuse and counterfeiture, since the Union, being a voluntary association, has no standing before the courts. The real power over the stamp lies with the general executive board and the local unions. The general executive board has discretionary power in making rules, governing the use of the stamp, but it cannot direct the general president to issue the stamp to any firm, unless the contract between the manufacturer and the Union, permitting the use of the stamp, is approved by the local or by the joint council in localities where more than one local exists. The general executive board can, however, refuse to confirm the decision of the local, and when the local or the joint council has once approved the giving of the stamp to a firm, it has no voice in the question of continuing the issue of the stamps to the firm at the expiration of the contract. In a town or city, where no locals exist, the general executive board has sole jurisdiction and may issue or withhold the stamp.

The union stamp contract now generally used was worked out in the fall of 1898 in a conference between the Union and W. L. Douglas of Brockton. By this contract the Union agrees to furnish its stamp to the employer free of charge, to make no discrimination between the employer and other firms who may enter into an agreement with the Union for the use of the union stamp, to make a reasonable effort to advertise the union stamp and to create a demand for the stamped products of the employer, in common with those of other employers using the stamp. The employer on his side agrees to hire as shoeworkers only members

of the Union, in good standing, and not to retain any shoeworkers in his employment after receiving notice from the Union that such shoeworker is objectionable to the Union, on account of being in arrears for dues or from any other cause. He agrees that the Union collector in the factory shall not be hindered or obstructed in collecting the dues of members working in the factory, that the general president, or his deputy may visit the employes in the factory at any time.

It is mutually agreed, that the Union will not cause or sanction any strike and that the employer will not lock out his employes, while the agreement is in force. All questions of wages or conditions of labor, which cannot be agreed upon by conciliation, are to be submitted to a board of arbitration. The Union agrees to assist the employer in procuring competent shoeworkers to fill the places of any employes who refuse to abide by these provisions or who may withdraw or be expelled from the Boot and Shoeworkers' Union. Should the employer violate this agreement, he has to surrender the stamp to the general president. In case he should for any cause fail to deliver the stamp, then he is liable to pay \$200 in damages to the Union. All questions of violation of the agreement on the part of the employer are referred first to the local union or joint council and thence to headquarters. The general president, if satisfied that the agreement is being violated, calls the attention of the employer to such violation of the agreement, and, failing to obtain satisfaction, brings action to recover the Union stamp.

The contract thus offers two advantages to the manufacturer. It provides for a settlement of all labor troubles in his factory by arbitration and it promises an increased sale, caused by the demand for union-made shoes. The latter can only be brought about by a vigorous campaign in favor of the union shoe, a campaign which the Union is the more willing to undertake, as an increased demand naturally forces more manufacturers to adopt the stamp. This advertising campaign thus becomes one of the most prominent features of the Union's label policy. Organizers travel around the country, making propaganda for the stamp both among trade unions and manufacturers. Every local elects



a label committee, whose duty it is to promote the sale of union shoes, by exerting all possible influence upon the dealers, by securing the coöperation of other organizations and by such other methods as suggest themselves. Any member buying non-union goods, when union shoes can be had, is fined \$2.00. At the same time large sums are spent in ordinary advertising purposes.

The increase in the demand for union stamped goods means much to the shoe manufacturer, because he is doing business on a small margin and every increase in the output reduces the expense of production per pair. That demand for union shoes, however strong, is alone enough to compel the manufacturer to accept the Union's stamp is hardly probable. He had first to be assured that the Union was determined to keep the integrity of the arbitration contract inviolate and that it did not intend prematurely to raise wages and thus drive him out of business. This was understood from the beginning by the officers, who shaped the new policy, and the declared principle of the Union became to "guard the contract against repudiation as carefully as a responsible business house does its financial standing." What makes this possible is the benefit policy of the Union. The benefit funds constitute a bond between the national union and the local, which makes it impossible for the latter to violate the contracts. If, however, individual members should violate a Union stamp agreement, then the general secretary fills the places of these men even when it entails upon the Union a considerable cost. In 1904 the general president complained that the time of organizers and advertising agents was exclusively taken up in defending the contracts, which made it impossible to conduct the advertising work with due vigor.

The other main point in the Union's label policy is to issue the stamp to the manufacturer regardless of the wage conditions in his factory. The only condition is, that he shall let the Union organize his shop and then afterwards come to terms through mutual agreement or arbitration as stipulated in the label contract. He is free to hire and discharge whom he likes, and also to determine the system under which the work shall be done. It is in the interest of the Union that the union factories shall suc-

ceed in the competition, and it is not its policy therefore to ask for higher wages than the competitors give. The Union regards a uniform wage scale as an impossibility, since the cost of production varies widely in different localities. The margin of profit is so small that an increased cost of production must be taken out of the manufacturers' profit, and an increase in wages would thus drive the manufacturer out of business.

It is thus not an immediate increase of wages, which is the aim of the Union. Its policy is to get as many manufacturers as possible to accept the stamp and in time to get the whole trade organized. When this time has come and a "shoemaker's trust" is formed, it is the hope of the Union that it shall be able "to advance wages as easily as the Standard Oil Trust now marks up the price of kerosene." Even then the interests of the manufacturer will not be opposed to those of the Union, as "he does not object to pay higher wages, if all his competitors do the same." Meanwhile the Union is spreading and has been very successful, thanks to this prudent policy. Whether the growth is quite natural is, however, a question the answer to which depends chiefly on whether the demand for Union label goods is a constant or an ephemeral factor in the market and whether it is possible for the Union to educate all its "forced" members, brought into the Union through the union stamp, to the principles of "true unionism."

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#### THE COLLECTION OF TRADE UNION REVENUE.

BY A. M. SAKOLSKI.

One of the most serious problems connected with American trade union finance is the difficulty experienced in enforcing the collection of national dues from the local unions. Since under the prevailing per capita tax system of revenue, the central treasuries of the national unions are dependent for support directly upon the funds of the locals, the latter are reluctant to empty their own tills in order to maintain an organization of

which they form only a small part. Consequently, they seek by various means to evade the full payment of the per capita charges levied upon them. The under-estimation of the membership of local branches by the local secretaries when making remittances to the national treasury has been the principal form of the tax evasion. The method commonly practised has been to permit a certain number of members each month to fall behind in the payment of their local dues until after the remittance of the per capita tax had been made to the headquarters of the national union, in the meantime reporting these delinquent members as in arrears and consequently not in good standing. The locals practicing this fraud were thus relieved of a portion of the per capita tax, and were able to divert to their own coffers funds properly belonging to the national treasury.

As a result of this systematic tax dodging, a large number of national unions were deprived of considerable portions of their incomes. Thus, in the Iron Molders' Union—an organization maintaining a higher grade of discipline among its members than is ordinary among American unions,—it was estimated in 1895 that only seventy-five per cent. of the per capita tax due from the locals have reached the central treasury. In other less centralized national unions, the percentage of evasion was much greater, the secretary of the Boiler Makers in 1899, reporting that of a total registered membership exceeding six thousand, the per capita tax had been received on less than one-half that number.

Several remedies for this form of tax evasion have been adopted by various unions. The written constitutions of a large number provide for the imposition of heavy fines and penalties upon local branches discovered in evading the payment of the national dues. The United Mine Workers, for example, prescribe suspension from the national union as the penalty for this offense. The constitutions of the Brotherhood of Boiler Makers and Iron Ship Builders and the Amalgamated Meat Cutters and Butcher Workmen give the executive officials power to discipline at their discretion local unions misrepresenting the number of their members.

Others again, require the local to send with its remittance a full list of the names of members paying dues, thereby enabling the national secretary by comparing consecutive lists to ascertain the standing of each individual member at every payment of the per capita tax. If members are not reported on these lists, they are excluded from the benefits paid by the national union. Local secretaries remitting false reports would be wrongly depriving members of their rightful privileges.

Neither of these plans, however, has proved as effective in collecting the revenue of the national union as "the stamp receipt system." This system was first introduced by the Cigar Makers' International Union and has been adopted by many of the leading trades unions. Briefly described "the stamp receipt system" consists in the sale of adhesive stamps to the local unions. Each stamp represents the amount of the periodical per capita tax or other charge levied by the national organization on the payment of dues by a member. Stamps are affixed by the local secretaries to his due book or working card. The stamps serve as a receipt and no other form of receipt is recognized by the national union. Consequently each member, in order to be in good standing and entitled to national benefits must show the full number of stamps in his due book properly dated and canceled. In order to prevent counterfeiting or duplication, the color of the stamps are changed at irregular intervals by the national officers. Since remittances must accompany orders for stamps and since local unions, would endanger the good standing of their members, if they exhausted their supply of stamps, downright evasion of the full payment of the national tax has become difficult. As a consequence, the national unions after adopting the "stamp receipt system" have experienced an increase in paid-up membership and a proportionate enlargement of their incomes. Thus, the receipts from the per capita tax of the International Typographical Union during the first four months after the adoption of the system showed an average increase per month of four thousand members over the preceding months. The International Association of Machinists, the Journeymen Plumbers' Association and the Iron Molders' Union



have also benefited materially by the introduction of this method of collecting revenue.

Despite the advantages resulting from the stamp receipt system, however, it has not proven entirely effective. The national unions still complain of tax dodging and evasion of assessments, and stricter methods of enforcing discipline and controlling local finances are advocated. A useful device for assisting the collection of revenue, recently installed by several of the best managed national unions is the duplicate card-filing catalogue. By this means, a complete record of every member of each local union is kept at the national headquarters. The standing of each member can thus be ascertained at all times and consequently evasion of dues or fraudulent claims to benefits are readily detected. Supplementary to the card-filing catalogue, is the system in use in several of the leading national unions of registering the membership by numbers. Under this system, each member when initiated, is assigned a number by which he or she is designated at the national office. This number is placed in the member's due book or union card and a duplicate record is kept on file in the card catalogue or books of the national union. To unions in which benefits to members are paid direct from the general funds the system of numbering combined with the card-filing catalogue, is a great administrative convenience. It has been successfully adopted by the Iron Molders' Union, the Brotherhood of Painters and Decorators, and the Pattern Makers' League and has been long in use by the Cigar Makers' International Union.

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## HISTORY AND THEORY OF INSURANCE.

BY CLAYTON C. HALL, LL. B., A. M.

While the development of insurance, as a systematic method of avoiding the disastrous effects of a fortuitous calamity such as fire or shipwreck, which to the individual might prove overwhelming by distributing the loss among the members of a community or of an association, is a part of the evolution of

modern civilization, the origin of the idea of the assumption by one person of certain risks to which another is exposed can be traced to very early times.

Of the three chief subjects or branches of insurance, designated respectively as life, fire, and marine, the last named is by far the most ancient, contracts of the nature of marine insurance upon shipping ventures having been made long before the Christian era. Its development, however, was reserved to the period of the commercial activity of the towns constituting the Hanseatic League.

The origin of fire insurance is attributed to the mutual aid afforded in case of disaster to members of the mediæval guilds, and it was not until the 17th century that corporations were formed for the purpose of insuring against losses by fire as a matter of business.

Efforts to determine the value of life estates, and of annuities for life, led at an early date to speculations or estimates as to the value of estates depending upon the duration of the life of the tenant, and the recognition of the fact that the value of such estates depended in a measure upon the age of the life tenant. This was recognized in the administration of the Roman law before the Christian era and afterwards more definitely formulated by the jurist Ulpian. But it was not until near the close of the 17th century that any scientific observations were made and published upon the subject of the rate of mortality at different ages of life. The first table upon this subject was published by Dr. Halley, Astronomer Royal, in 1693, and was based upon observations upon the deaths occurring at different ages in the City of Breslau, in Silesia, the only community which the observer could then find in which the ages at death of the decedents were recorded. During the 18th century more careful observations upon mortality were made, and during the 19th century the subject was greatly developed, and as a result of more careful classification of data, it was ascertained that persons receiving annuities are as a class of much greater longevity than persons whose lives are insured for a sum payable at death; indicating that there is a natural though unconscious tendency on the part of persons seeking contracts in which life contingen-

cies are involved, towards the selection of that form which is best adapted to their own particular needs.

In the meanwhile the mathematical theory of probability, which lies at the root of any sound system of insurance, had been worked out by Pascal, La Place and other distinguished mathematicians and philosophers.

It was not, however, until after the middle of the eighteenth century that a life insurance company was established, the operations of which were based upon the true theory as to the probability of the occurrence of death, and with rates of premium determined according to the age of the applicant for insurance.

The theory of insurance requires for its successful application, (1) A considerable number of persons exposed to a similar risk of loss from some cause which they cannot control, the effect of which in the individual case would be disastrous, but the occurrence of which is sufficiently infrequent to make the effect, if distributed through the entire group, and therefore the cost of protection by insurance, comparatively light. (2) The individual risk must be so widely separated or at least so far independent as to avoid the probability of a considerable proportion of them being at any time involved in the same calamity. (3) The frequency of the occurrence of loss must be known with sufficient accuracy for the rate of contribution to be made by the individuals thus associated to be determined with some approach to certainty. These rudimentary or fundamental ideas are carried into effect by insurance companies doing business the world over, whose policy holders, strangers to each other, are thus associated for the purpose of mutual aid and protection.

In this form of association is to be recognized one of the most typical developments of civilization, in that the elements are foresight and co-operation, and it is precisely these features that distinguish the civilized from the savage condition of life.

The occasions of loss for which it is sought to provide indemnity by means of insurance are divided into two widely different classes of events. First, an event, such as a fire or shipwreck, which may or may not happen, and the risk of which is not necessarily increased by lapse of time. Second, an event, such as human death, which is sure to happen within a period which

can be definitely limited, the time of its happening in the individual case being alone uncertain. In the first class of cases where the risk remains practically uniform from year to year, the current premium is assumed to be sufficient for the current risk ; but in the second class where the risk of death or of sickness is to be provided for, when the probability of the former, and the frequency and duration of the latter increase with increasing age, if the cost is to be met by yearly premiums of uniform amount, a properly adjusted fund, of the nature of a sinking fund, but ordinarily, in insurance administration, called the reserve fund, needs to be accumulated. As a condition of solvency there must be a constant equation, an equilibrium, between the obligations assumed and the resources for meeting them. As with the increasing age of the insured life the imminence of liability under the former increases, while the value of future contributions in the way of premium payments diminishes, the difference must be represented by the reserve fund, the true methods of determining which are easily demonstrable and well established.

In Germany and in other countries of Continental Europe there is provided by law a compulsory system for the insurance of workmen against death, disability resulting from accident or sickness, as well as a provision for old age pensions, to the cost of which both the Imperial Government and the employers contribute. In this country, under different political conditions, such insurance is practically provided, but at the cost of the wage earner, through the various industrial insurance companies, the fraternal associations, insurance features of trades unions, and the relief departments maintained by many of the great transportation companies. To the cost of maintaining these last, the employing companies are liberal contributors.

In addition to the three older branches of insurance already mentioned, there has in recent years been a rapid development of other forms, such as accident or casualty, employer's liability and fidelity insurance. The last named has lately attained large proportions, and the advantages of corporate responsibility upon bonds of persons occupying positions of trust are such that it has almost entirely superseded the older method of personal suretyship.



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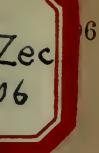
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## CONTENTS

PAGE

### THE ECONOMIC SEMINARY, 1905-06 :

Frederick W. Hilbert. - - - - -	4
The Finances of Santo Domingo. By JACOB H. HOLLANDER,	5
The Standard Wage as a Bargaining Device. By GEORGE E. BARNETT, - - - - -	7
Exclusive Agreements in the Building Trades. By F. W. HILBERT, - - - - -	12
Labor Unions which do not maintain Apprentice Laws. By JAMES M. MOTLEY, - - - - -	17
The Early History of the Corporation Tax in Maryland. By HUGH S. HANNA, - - - - -	22
Women in the Trade Union. By T. W. GLOCKER, - -	25
Jurisdictional Disputes in Breweries. By S. BLUM, - -	29
The Retirement Association of Letter Carriers. By J. B. KEN- NEDY, - - - - -	33
The Label of the United Hatters of North America. By E. B. SPEDDEN, - - - - -	37
European Methods of Control over Railway Rates. By W. H. BUCKLER, - - - - -	41

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THE ECONOMIC SEMINARY, 1905-1906

Edited by PROFESSOR J. H. HOLLANDER and  
DR. G. E. BARNETT.

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The primary activity of the Economic Seminary during the current academic year has continued to be an investigation into the history, activities and influence of labor organizations. Its membership as heretofore, has been limited to advanced students preparing for a scientific career in economic study, and its primary design has been the development of sound method in economic research. The regular fortnightly evening sessions have been supplemented by briefer morning sessions in alternate weeks. The material resources necessary for the inquiry have been supplied by the continued generosity of the donor, whose original gift made its inception possible.

Appreciable progress has also been made by individual members of the Seminary in the study of specific aspects of the several questions assigned for investigation. During the summer, field work was carried on in various carefully selected localities, and the data thus collected have since been supplemented and corrected by documentary study and personal interview. Two monographic studies, submitted by senior members of the Seminary in part fulfillment of the requirements

for the doctor of philosophy degree, were issued: "The Finances of American Trade Unions" by A. M. Sakolski, Ph. D., and "Labor Federations in the United States" by William Kirk, Ph. D. Both essays appeared in the *Johns Hopkins University Studies in Historical and Political Science*, XXIV Series. A co-operative volume of "Studies in American Trade Unionism" (Holt & Co.) was also issued, embodying the preliminary results of specific investigations now in progress, but ultimately designed for monographic publication in completed form. During the past two years a large amount of additional documentary material has been collected by the Seminary, and it is proposed, with the aid of a recent grant by the Carnegie Institution, to issue during the course of the next academic year, a second, much enlarged edition of the "Trial Bibliography of American Trade-Union Publications."

The record of the proceedings of the Seminary, and abstracts of certain papers there presented, are appended :

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|----------|-----|--|
| October  | 11. | Reports of the summer field work, by Professor HOLLANDER, Dr. BARNETT, Messrs. KENNEDY, BLUM, GLOCKER, HILBERT and MOTLEY.   |
| October  | 17. | An "Introduction to Studies in American Trade Unionism," by Professor HOLLANDER.   |
| October  | 25. | "Development of Collective Bargaining in the United States," by Mr. F. W. HILBERT.   |
| October  | 31. | "The Structure of the Typographical Union," by Dr. GEORGE E. BARNETT.  |
| November | 7.  | "Shop Rules of American Trade Unions," by Mr. SOLOMON BLUM.  |
| November | 14. | "Railway Rate Regulation in France," by Mr. W. H. BUCKLER (published in the <i>Quarterly Journal of Economics</i> , February, 1906).<br>"Opportunities for Social Work in the Charity Organization Society," by Mr. JAMES M. MOTLEY. |
| November | 21. | "American Trade Unions and the Apprentice," by Mr. JAMES M. MOTLEY.<br>"Social Settlement Work in New York City," by Mr. A. M. SAKOLSKI.   |
| November | 28. | "Present Labor Difficulties in Baltimore," by Mr. E. R. SPEDDEN.   |
| December | 5.  | "Beneficiary Features of American Trade Unions," by Mr. J. B. KENNEDY.   |

- December 12. "Immigration Conference of the National Civic Federation," by Mr. THEODORE MARBURG.  
"Landing of Immigrants on Ellis Island," by Mr. W. R. STRAUGHN.
- December 19. "Child Labor Regulation in Maryland," by Dr. WALTER UFFORD.  
"Washington Meeting of the National Child Labor Conference," by Mr. W. H. BUCKLER.  
"Local Labor Strikes," by Mr. E. R. SPEDDEN.
- January 9. "American Trade-Union Structure," by Mr. T. W. GLOCKER.
- January 16. "Baltimore Meeting of the American Economic Association," by Professor HOLLANDER.
- January 23. "The Minimum Wage as a Bargaining Device," by Dr. GEORGE E. BARNETT.
- January 30. "Civic Organizations and Municipal Parties in Baltimore," by Mr. SOLOMON BLUM.  
"Statistical Tabulation of Inmates of Alms-houses in Baltimore," by Mr. F. W. HILBERT.
- February 6. "The Present State of Apprenticeship," by Mr. JAMES M. MOTLEY.
- February 13. "The Finances of Santo Domingo," by Professor HOLLANDER.
- February 20. As a tribute to the memory of Mr. Frederick William Hilbert, who died Saturday, February 17, 1906, the regular bi-weekly meeting of the Seminary was postponed.
- February 27. "Financial History of Maryland," by Mr. H. S. HANNA.
- March 6. "Work of the Bureau of Corporations," by Dr. JOHN PORTER HOLLIS.
- March 13. "The Label of the Hatters' Union," by Mr. E. R. SPEDDEN.
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Frederick W. Hilbert, Fellow in Political Economy, died suddenly on February 17, 1906. Mr. Hilbert was born April 26, 1871. He received the degree of Bachelor of Arts at Randolph-Macon College in June, 1896, and the degree of Master of Arts in June, 1897. In October, 1902, he began graduate study in Political Economy at the Johns Hopkins University; in 1904-1905 he held a University scholarship, and in June, 1905, was appointed to a fellowship. From October, 1905, to the time of his death, he also acted as Assistant in Political Economy.

For sometime prior to his death, Mr. Hilbert had been engaged in an extensive study of collective bargaining in the United States. He had intended offering this work in May, 1906, as a dissertation, in part fulfillment of the requirements of the University for the degree of Doctor of Philosophy. His chief published work consists of two essays—"Employers' Associations in the United States" and "Trade-Union Agreements in the Iron Molders' Union"—published in the recently issued "Studies in American Trade Unionism."

## THE FINANCES OF SANTO DOMINGO.

BY JACOB H. HOLLANDER.

The conditions presented by the Dominican Republic may be briefly summarized : The country is extensive in area, and rich in natural resources and economic possibilities. The population—with the exception of a handful of malcontents—is a sturdy, but inarticulate peasantry, by nature simple-minded, peace-loving, and, as far as any tropical people go, industrious. The government is republican and representative in form, but without either the historical development or the political traditions which make popular institutions secure and efficient. Civil disorder and administrative misrule have bankrupted the public treasury ; and a large and recklessly incurred public debt has relapsed into accumulated default.

The recent history of Santo Domingo may be conveniently dated from the energetic movement to affect its annexation to the United States in 1869-70. The early history of Santo Domingo and, more particularly, the amazing political experiences of the Republic in the thirty-five years which have elapsed since the annexation movement can only be described as a miserable succession of revolution and anarchy, interrupted by ruthless and blood-stained dictatorships. From 1871 to 1882 Cabral, Baez, Gonzalez and Luperon alternated in control, their struggles being marked by uprising, ravage and bloodshed, and terminating invariably in social demoralization and economic ruin. It was during this decade that the most vicious rules of the game of revolution as it is played in Santo Domingo won acceptance. In 1882 Ulises Heureaux came to the fore in Dominican politics, and the next seventeen years form the story of his uncontrolled dominance. For a time his creatures were installed in the presidency, to preserve a semblance of constitutional form ; but throughout he was absolute dictator. Heureaux's rule was not even a benevolent despotism. Brutal cruelty, insatiable greed, moral degeneracy, were the man's personal characteristics, and they shaped his political conduct and his administrative activity.

If Santo Domingo was at peace during Heureaux's time, it was the peace of a merciless terrorism, not the quiet of civil government.

A seeming well-being prevailed, but it was attained by bartering the resources of the country in prodigal concessions and by discounting the future in reckless debt accumulation. With Heureaux's assassination in 1899 came the deluge, and the next five years constitute a climax even in the history of Latin-American politics. Figuereo, Vasquez, Jiminez, Vasquez again, Woss Y Gil and Morales successively occupied the presidential chair, each attaining it by much the same means, and holding it by as uncertain tenure. The ordinary crimes of the political decalogue became commonplaces. The country was laid waste, the people crushed to hopelessness, the treasury left to stew in utter bankruptcy, and a host of creditors, foreign and domestic, after tightening their hold upon the future become more and more insistent in the present. In January-February, 1905, in face of the imminent likelihood of foreign intervention, the protocol of the agreement now pending for ratification was arranged between the Dominican Republic and the United States. Upon the adjournment of the United States Senate on March 18, 1905, without final action upon this agreement, an interim arrangement was arranged providing for the collection of the Dominican customs revenues by a person designated by the President of the United States, and for the segregation of fifty-five per cent. of the proceeds. On April 1, 1905, this temporary arrangement went into effect, and is now in actual operation.

The misgovernment and disorder which have characterized the political history of Santo Domingo in the past thirty-five years, are reflected with exactness in the financial experience of the country during this period. Current resources have been derived almost exclusively from indirect taxes upon necessary consumption, crudely administered and long since increased beyond the point of maximum return. The taxes so wrung from the country's poorest classes have been wasted and stolen by successive dictator-presidents, with barely a pretense to applying any part to the legitimate objects of governmental

expenditure. There has been no real audit of receipts and disbursements, and so-called public accounting has commonly been either a literary formality or a purely personal matter between the dictator in power and his favored supporters. Finally, the credit of the Republic has been exploited to bankruptcy, and a formidable public debt, funded and floating, has been incurred, without regard either to present resources or to future obligations.

The history of the modern public indebtedness of Santo Domingo is almost entirely comprised within the past thirty-five years. The origin of a few claims may be traced even further back ; but in the main 1869 is the starting point of the recent financial, as of the political history of Santo Domingo. With respect to the growth and the status of the debt, this term of thirty-five years falls naturally into three periods : 1. 1869-1887, the genesis of the debt ; 2. 1888-1897, the decade of bond issues ; 3. 1898-1905, the period of floating indebtedness.

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## THE STANDARD WAGE AS A BARGAINING DEVICE.

BY GEORGE E. BARNETT.

The standardization of commodities in measure and quality is always sought on account of the resultant convenience in bargaining. But some commodities always remain entirely or partially unstandardized. The buying and selling of horses, for example, has always been subject to this grave defect. Few commodities, however, are so difficult to standardize as human labor. If, in any trade, all workers were exactly equal in productive capacity, the carrying on of collective bargaining would be enormously facilitated.

The difficulties in formulating a measure of labor have been encountered in widely varying degrees by different trade unions. Among piece-workers some standard measure of labor more or less exact almost always emerges even in the absence of a trade union. The earliest societies of printers and shoe workers in the



United States, at their inception found in existence recognized modes of measuring labor. Some employers paid under the scales and the societies frequently had difficulty in forcing uniformity, but the existence of a standard according to which payment was made, made it possible for the union to concentrate its efforts on raising the rate. In practically all piece trades, the union's scale while nominally a minimum scale, is in reality a uniform scale. Only in exceptional instances is a piece worker paid beyond the scale. A system of inspection keeps the standard of the work up to a given level. A few workers may receive a higher price per piece for nominally the same work, but in reality the work so remunerated is almost always of different quality. On account of the ease with which piece work is standardized, unions of piece workers come into existence more easily and naturally than unions of time workers.

Even among time workers, many trades find little or no difficulty in the establishment of a measure for labor. The largest group of such unionists in the United States is made up of the Railway Brotherhoods. Strict entrance examinations, promotion according to seniority, rigid discipline, standardize the railway employees. It is thus brought about that the railway employees of a given rank differ so little in the efficiency with which they discharge their duties that to all men of a given rank and term of service the railway company, of its own volition accords the same pay. As the size of the business unit increases in any trade, the standardization of the workman is likely also to increase. The unions of workmen in such trades, relieved as they are of a perplexing problem, are able to devote a large part of their attention to the method of insurance.

But there remains a great body of time workers who have difficulty in formulating a measure of labor since their members vary greatly in efficiency. In practically all of these trades, the device of a minimum wage has been adopted. Under this plan, all wage workers exceeding the minimum in efficiency are left to secure remuneration for their superior efficiency in individual bargaining. If the standard rate were simply a protection against the forcing down of the wage level below the ordinary

standard of the community, it would be possible for most of the trade unions to set their minimum wage at a level which would include nearly all the workmen in the trade. Ordinarily, however, for the minimum wage to be effective as a bargaining device for the great body of workmen in the trade, it must be set higher than this level. A trade union, containing men of widely varying degrees of efficiency is impelled, by this consideration, to make of its minimum wage a device for collective bargaining not only for its most inefficient members but also for the higher grades of workmen. A simple minimum wage set at the level of the poorest workman, leaves too much ground open for individual bargaining in the more efficient groups.

These efforts may be divided into two groups: (1) Attempts to make the workmen or the services rendered more uniform. (2) Attempts to introduce several standards of payment for different groups of workmen. By both of these lines of activity, the field of collective bargaining is widened and that of individual bargaining narrowed.

(1). *The Standardization of the Workman.* Chief among the methods used for this purpose are:

(a) The enforcement of rules for the training of apprentices. In many trades, the apprenticeship question has lost its significance as a device for securing the limitation of the number of workmen, but retains great importance as a device for promoting the standardization of the workman. Obviously, a trade made up of incompetents and skilled workmen presents difficulties in forming a standard wage. The better workmen, relying for their pay on their superior qualities, derive little aid from a standard wage based on the wage of the incompetent. The field left for individual bargaining is so large that collective bargaining for a certain minimum efficiency renders little aid to superior workmen. If the union can enforce rules as to the training of the workman, the distance between the worst class and the better classes of workmen is lessened, with the result that the differential received by the better workman has a real relation to the minimum wage. The interest of the trade unionist in the training, as distinguished from the limitation of apprentices, is thus a vital

one in many trades. Naturally, in many cases, limitation bears a certain relation to training since it frequently happens that a large number of apprentices cannot be satisfactorily taught. In theory and usually in practice, however, the two devices are distinguishable.

(b) A trade union may approach the question more directly by requiring for entrance a certain proficiency in the trade. This proficiency is in a number of unions ascertained by an examination. Difficulties occur in carrying out such a plan. If any considerable number of men are shut out of the union, they become a menace to the maintenance of the scale. A union must always exclude some of the poorest workmen, but it cannot carry such a policy very far. Usually, entrance examinations have had little relation to the standardization of the workmen, but have been contrived as a monopolistic measure.

Since attempts to standardize workmen have their origin ordinarily in the desire to influence the wages received by the better workmen, such attempts are usually directed toward raising the efficiency of the poorer workmen.

(2). *The Grading of the Standard Wage According to the Classes of Workmen.*

(a) The most common case of this kind is the practice prevalent in many unions of permitting incompetent workmen to work below the minimum rate. Such a practice evidently permits the standard rate to be put higher than it otherwise could be without excluding from the union too many workmen. Formerly in the Typographical Union and at present among the Bricklayers, a part of the men are permitted to work at a fixed rate below the minimum. This practice, however, has been found to endanger the maintenance of the standard rate. The difficulty, of course, lies in the impossibility of fixing a definite criterion by which to classify the incompetent workmen. The workmen permitted to work below the scale compete with those covered by the scale and the practice, if at all widely extended, is likely to end in a complete reversion to individual bargaining.

(b) A few unions have tried the experiment of establishing separate scales for specially efficient workmen. The difficulty

here, again, lies in establishing a test of efficiency. The ordinary method is to require that if a man has once reached a certain wage by individual bargaining, he shall be assigned to a higher class. But the desire for steady work makes the workman dislike being placed in a class where he cannot use his power of individual bargaining to compete directly with inferior workmen in his trade.

(c) An indirect, but probably by far the most effective measure for grading workmen and thus establishing several bargaining rates for different classes is found in the practice in many trades of establishing minimum rates for various classes of work. This practice has not been designedly adopted in order to establish rates for the more efficient and thus to extend to them more fully the benefits of collective bargaining; but it operates powerfully in this direction. In the Typographical Union, for example, linotype operators receive considerably higher pay than any other class of printers. The natural effect has been to bring into that branch of the trade the most skillful and expert workmen. A differentiation of the standard rate according to kind of work thus leads to a differentiation in the pay according to skill. The establishment of such a superior standard rate in one branch of a trade, by affording a standard of comparison, operates to give the superior men in other branches, a higher rate than they would otherwise receive.

The prime function of the trade union is collective bargaining. No trade unions are possible in those trades where individual efficiency leads to extreme divergencies in pay. Trade unionism is strong in those trades where standardization is possible and varies directly with the power of the trade union to overcome the difficulties met in standardizing the workman.

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## EXCLUSIVE AGREEMENTS IN THE BUILDING TRADES.

BY F. W. HILBERT.

The first record of an exclusive agreement in the building trades is found in Philadelphia in 1870. The Master Fresco Painters had an organization, and thinking that the journeymen fresco painters, if unionized, might help them to control the industry, they brought about an organization of their employees. For several years, the project was successful ; but the union went to pieces during the crisis of 1873.

No further instances are discoverable until after the organization of the Carpenters' National Union, when exclusive agreements became common in that industry. In 1882 the Carpenters' Union of Washington wanted an increase of wages from \$2.50 to \$3.00 per day. They proposed to the principal builders of the city that they would obligate themselves not to work for "speculators, jerry builders or real estate men" if the builders would grant the increase. The builders came together, formed an association, and unanimously passed a resolution: "The Master Builders' Association hereby pledges itself, and its individual members, to support the Brotherhood of Carpenters and Joiners, and its members in their effort to secure 20 per cent. increase on the rate of wages paid last season. And further that the members of this Association shall pay that increased rate of wages, and shall employ none but members of the Brotherhood, provided the said Brotherhood do pledge themselves individually and as a body to the Association to be employed by none but master builders." The Association also promised to increase wages gradually until they should be 10 per cent. above the wages paid in any other large city. The following year the Master Carpenters' Association of New York formed a similar agreement with the Journeymen Carpenters' Union of that city.

In 1886 the Carpenters' Union of Pensacola, Florida, formed an agreement with the Master Builders, and also with the manufacturers of building materials. The material men annexed to the agreement a scale of prices which, they promised, would be

adhered to in all cases. Certain secret discounts of fixed amount were, however, to be given to those builders who were parties to the contract. The builders pledged themselves not to give out any piece work or sublet any part of their work, to purchase materials only from material men who were parties to the agreement, and to employ only such carpenters as were members of the local union. The union men on their part agreed to work only for such builders as were parties to the contract. This agreement was considered even stronger than the others mentioned; the prospective builder could not obtain union workmen and could secure materials only at a higher price than the master builder. He would, thus, the more readily give the contract to the master builder.

These exclusive agreements became very common during the decade from 1890 to 1900, extending to nearly all the building trades. In New Castle, Pa., the painters agreed that the journeymen should not handle any materials not purchased by their employers. In St. Louis, they agreed to refer every real estate agent, general contractor, or owner, offering them work to some member of the Master Painters' Association, and in Worcester, Mass., that no member of their union should be permitted to estimate or contract for work at house painting for any person, not a member of the Master Painters' and Decorators' Associations, unless he received at least \$1.00 per day over schedule prices.

In some exclusive agreements, provision is made for the journeymen's entrance into the employers' association, whenever he may become an employer; as, for instance, in the painters' agreement in 1899 at Troy, N. Y. Some of them provide, however, that he can pass back again into the union ranks only after a stated interval of time. This had a tendency to discourage petty contracting. Thus, in New Castle, Pa., so many journeymen bricklayers went contracting and underbidding that the contractors refused to grant an increase of wages, until the union adopted a law that a member who withdrew for the purpose of contracting, could not return to the union until after a term of eight months, and then only by paying a new initiation fee.

Journeymen were also required to pay the initiation fee of the Contractors' Association when they accepted a contract.

In some cases the journeymen made large temporary gains by becoming a party to agreements of this kind. But objections to the exclusive agreements soon began to be made by unionists and their leaders. In 1896 the Plumbers of Memphis, Tenn. said of their experience: "Everything worked very nicely until the Master Plumbers fined one of their members for violating one of their rules, and the firm would not pay the fine. Then we were notified that the firm was no longer a member of the Master Plumbers' Association. So to line up to our agreement we had to withdraw our men from the shop, which we did after giving the firm two days grace to settle with the Association." In 1899 the organizer of the Plumbers said that, in the majority of instances, "when an agreement of this kind has been entered into, trouble has occurred, caused in most cases by jealousies in a business way; and, in some cases, I have found that after we have built up their organization through the force of an agreement with us, they have repeatedly used the power thus gained to work against the interests of the journeymen."

Some national organizations of the building trades have absolutely prohibited such agreements. In 1901 the Carpenters provided in their constitution: "Unions cannot make agreements to debar their members from working for contractors or bosses other than those connected with the bosses' or builders' association." As it was found that building trade federations in certain localities furthered the use of the exclusive agreement, the next convention added this provision: "Nor shall they affiliate with any central organization whose constitution or by-laws conflicts with those of the United Brotherhood." In 1902 the General Executive Board of the Painters said that they would approve no scale of wages, gained through exclusive agreements, as they believed such contracts were a danger and menace to their prosperity.

The Bricklayers, who are more strongly organized than any of the other building trades, were not so often tempted to enter upon these agreements. From the beginning, the national

office took a stand against them, and has always refused to sanction any agreement which contained the exclusive clause. In 1897 the union at Toledo, Ohio, made an agreement whereby they were to refuse to lay any common brick not made in Toledo. The local brick manufacturers agreed to give contractors employing only union bricklayers a special discount per 1,000 bricks, and the contractors were to give the bricklayers an advance in wages. Although the agreement was carried unanimously by the local union, and signed by many contractors, the General Executive Board refused to approve it, saying: "We as an organization have no right to dictate what material shall be used in the construction of any buildings. Both owners and architects have rights which we must recognize."

As a concession to employers' associations, the General Executive Board suggested that "where master masons agreed to employ only union men, the members of the local bricklayers' union should further bind themselves at all times to use every means and influence through committee or otherwise to prevail upon such parties to recognize none but union contractors." Another concession frequently made in agreements is to charge others than general contractors and builders five cents per hour above the local rate of wages for bricklayers. This about equals the charge of the master mason, and represents his profit.

These concessions, however, were not sufficient for many local unions; and so many exclusive agreements were sent for approval that in 1900, the General Executive Board in a circular letter to all locals declared: "Any union or locality that wants to build a fence around it so as to prevent International men and their employers from exercising their just rights will have the alternative either of taking down the fence, or else of withdrawing from the International Union. We are opposed to this 'trust' business right from the very start. For its introduction and fostering now is merely the beginning of the destruction of the organization." The firm stand of the Executive Board was displeasing to some of the locals, and they appealed to the Milwaukee Convention of 1901. But the Executive Board was sustained by an overwhelming majority vote, and a resolution



was adopted by the Convention that "any contractor recognizing the laws of a subordinate union and those of the Bricklayers and Masons' International Union in any locality in which he may be constructing work, should not be discriminated against or interfered with."

Under pressure of master masons' associations which desired to check the growth of large construction companies, and were willing to give higher wages to the unions for aid, these exclusive agreements continued to be sent to headquarters for ratification. On one occasion, the Elizabeth local of bricklayers, at the instigation of the Master Masons' Association of that city, applied to the General Executive Board for permission to charge an extra five cents per thousand bricks when working for general building contractors or construction firms. It will be observed that this was the method recommended for some years by the Executive Board in dealing with others than mason contractors. In its communication, the Elizabeth local said: "There are several contractors in our town who take the whole building, and hire a foreman for each branch of the trade; and the master masons claim they cannot compete with these men as there is but one contractor to make his percentage, and he can consequently do the work cheaper than if he took but one branch of the trades. Therefore, they ask us to charge an extra five cents when working for these contractors so as to equalize them." The Executive Board refused this request; and, in stating the reason of the Board for its decision, President Gubbins said: "The demand of the building public for estimates for every branch under one responsible head is a growing one. The desire is to avoid too many divisions of responsibility in their construction, and the idea is to simplify matters for one particular head. We ourselves must admit that much friction of one kind or another is removed, and much valuable time gained. Then again the one headed system of responsibility removes the dissensions and disagreements formerly occurring between the several contractors which have been not only a loss to the owner, but also a great loss to employers in time and money. The system the Mason Contractors of Elizabeth seeks to perpetuate is doomed; and they

might as well understand it first as last. Their only salvation is to affiliate their experience and knowledge with some other employer in some other particular branch of our industry, and work together for their common good as one man. We are in favor of charging five cents per hour to owners doing job-work, employing our members direct, but we cannot favor imposing an extra rate of wages upon general contracting firms and contracting companies. That would be the means of striking a blow at our own mason contractors who are associated with, and belong to general contracting firms."

Thus, the officers of the four leading national unions in the building trades have fought against the exclusive agreement, and have practically stamped it out. No instance of its present use among the Bricklayers and only a comparatively few such agreements in other unions can be found. The places where they are found in the unions under consideration are small localities where the large construction companies do not compete. Moreover, the local unions are cut off from assistance by all four of these national unions should any trouble occur owing to the nature of the agreements.

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#### LABOR UNIONS WHICH DO NOT MAINTAIN APPRENTICE LAWS.

BY JAMES M. MOTLEY.

Of the one hundred and twenty international unions having a total of 1,676,200 members, affiliated with the American Federation of Labor, about fifty international unions, with a combined membership of about 800,000 workmen, maintain no regular apprentice system. Four distinct classes of trades are represented in these fifty unions.

In the first group may be placed those industries in which comparatively unskilled labor is employed. This class contains by far the largest number of trades which do not maintain regular apprentice laws, for about thirty crafts may be thus classed.

The group is typically represented by such unions as the Freight Handlers and Warehousemen, Hod Carriers and Building Laborers, Hotel and Restaurant Employees, International Brotherhood of Teamsters, and International Protective Associations of Retail Clerks. These trades, are in the main, recruited from those who, after serving a short term with their fellow workmen as instructors, readily obtain a sufficient knowledge of the trade to enable them to perform it in a satisfactory manner, after which they are received into the union. Apprentice qualifications are not demanded of applicants seeking admission to these unions for the obvious reason that men of ordinary ability and physical endurance are, after a very short period of training, sufficiently competent to perform the required work.

The second class of trades in which no regular apprentice laws are maintained by the union, contains a very much smaller number than the preceding group, and is composed largely of the railway unions, such as the Order of Railway Conductors, Order of Railroad Telegraphers, Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen and Brotherhood of Locomotive Firemen. Some of these organizations are not affiliated with the American Federation of Labor. They represent highly trained services, but advancement or promotion therein is made according to the ability displayed by the individual member or as there is actual need of men to fill vacant positions. In this manner those engaged in any of the industries contained in this class must serve a rigid and oftentimes a very long apprenticeship, though technically it is not so designated, since the terms demanded of beginners as well as any future promotion of employees, are matters not under the direction of the union, but entirely within control of the employers. This is made imperative from the nature and importance of the work to be performed. Each trade of the group represents activities which must, in order to properly protect business life, be executed with great promptness and care. For example, the telegrapher must be so accurate in transmitting his messages, and so prompt in reporting or dispatching his trains, that all those desiring to learn the trade must engage themselves, not simply for a stated

term of years, as is required of apprentices in most trades, but must serve until they have acquired sufficient skill to assure the employer that they are competent and may be safely trusted in responsible positions. Again, because of the heavy physical labor involved in the work, the membership of the International Brotherhood of Railway Firemen is recruited, in a large measure, from men rather than boys, and consequently this union maintains no regular apprentice system. The constant intimate relations of the fireman with the engineer enables the former to gradually gain a practical knowledge of the trade duties of the latter, and it is in this manner that a majority of the engineers are trained. There is not the slightest opportunity for a boy to learn this trade, as an ordinary apprentice. A majority of the members in these unions began in an humble way with a railway company and have gradually worked their way up to their present positions.

The trades of the third class consist of certain industries in which much machinery has been introduced and consequently a minute subdivision of the processes of production has followed to such an extent that the operation performed by each particular individual, instead of being complex or multiple as formerly when one person completed the entire product, has become a very simple act. Little if any skilled labor is required to perform it. The Boot and Shoe Workers, the Carriage and Wagon Workers, and the Meat Cutters and Butcher Workers are typical trades of this group. However, it must not be understood from the preceding statement that skilled workmen are not employed in industries of this class. On the contrary, at the present time a certain class of artisans engaged upon particular portions of the article—such as the cutter of the Boot and Shoe Workers, who must not only know how to handle his tools in a skillful manner, but must also be able to judge quickly in what way to cut this material of various sizes in order to secure the greatest number of pieces of correct dimensions,—have developed remarkable skill in executing their own part and are reckoned as high priced men, although possessing slight if any ability in making other parts of the same article. If, however, the artisan



possesses sufficient creative ability and is adept in the use of his tools, he is able to perform the work in a satisfactory manner after, at the greatest, one year's time. Furthermore, it should be remembered that while machinery is extensively used in these trades, the old processes have not entirely been dispensed with. Thus at the present time, shoes are made, in some places, exclusively by hand; in others almost entirely by machinery, while in still other factories the two methods are used conjointly. A beginner who wishes to learn the trade in a shop where only hand workers are employed, is required to serve a long term as an apprentice that he may become an all-round highly skilled workman; but the boy who enters a large factory for the purpose of learning the trade finds an opportunity to learn but one or two parts of it and is not compelled to serve the long apprenticeship term. Certainly, it is true in the boot and shoe industry, and doubtless in all other trades of this group, that a very large percentage of the articles produced are manufactured in large factories in which the latest improved machinery has been installed. These plants disclose the real tendencies and conditions of the trade, and in such establishments the apprentice boy is no longer found. Speaking of a widely known wagon factory, one well acquainted with the conditions therein ventured the opinion that not one skilled workman was employed in the manufacture of any part of the wagon. So extensively has machinery been introduced that, to quote the exact language of the informant of the present writer, "the chief duty of the wagon maker in that factory is to carry material to and from the machines. Furthermore, the wages of practically every employee is scarcely above that of the ordinary laborer, for in reality subdivision has been carried so far that those engaged therein perform a grade of work hardly above that of the laborer." This is an extreme case, as many skilled workmen are found in the trade; but the Carriage and Wagon Workers Union does not demand any special qualifications of its members other than that the applicant must be engaged at the trade and be of good moral character.

The trades of the fourth class, while organized as trades and affiliated with the American Federation of Labor, should perhaps

be classified as professions rather than trades. The group includes the Actors' National Protective Union and the American Federation of Musicians. Other organizations, such as The Teachers' Union of Chicago, might properly be placed in this group.

It is evident, from the foregoing, that a majority of the unions in which apprenticeship is not a prerequisite to membership, are composed of members who perform comparatively unskilled labor. Ordinary intelligence and physical strength are the qualities chiefly desired. There have been little if any radical changes in the methods of production employed in these industries, at least such as would demand a higher grade of skilled labor. Apprentice laws have never been enforced in these crafts. The twelve trades included in the second class, representing in the main railway unions, engineers and firemen and demanding highly skilled and well trained service, are also trades in which the unions have never maintained apprentice rules. Boys of tender age are not received, but men of mature strength are taken on and trained as the employer sees fit. The third class, which includes six different international unions, represents the trades in which the greatest changes in connection with the apprentice have taken place. In these industries a complete revolution in the methods of production has transpired. Machinery and subdivision have made it possible to abolish all apprentice requirements. However, it must be remembered that up to the present time the old methods formerly used by all employers in these trades, have not been entirely discarded by employers operating on a small scale. In the larger establishments the boy never gains a knowledge of the entire trade and may become an expert only in operating his machine, while in the smaller shops, less improved methods are employed and the beginner is required to serve a long apprentice term.

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THE EARLY HISTORY OF THE CORPORATION  
TAX IN MARYLAND.

BY HUGH S. HANNA.

The corporation tax was of slow development in Maryland, and, to a great extent, necessarily so because of the slowness with which the corporate form of industrial organization extended itself. Prior to the middle of the last century the granting of a corporation charter by the Legislature was a matter of considerable ceremony ; such grants were relatively few and confined almost entirely to such enterprises as required special franchise privileges from the state as a condition of their operation, such as banking, canal, railroad and turnpike companies.

Banks were the first of such corporations to be subjected to special taxation, and they were singled out because of reasons peculiar to such institutions. From the first establishment of state chartered banks in 1790 there had existed among a large class of people a feeling of hostility toward these moneyed institutions. This hostility, particularly strong in the agricultural section, which could expect little direct benefit from banks lending only upon short time notice, was fostered by certain periodicals of the day which professed to see in the concentration of the money power an instrument of the people's oppression. This party demanded, in lieu of the abolition of banks, the placing of a tax upon such institutions ; and beginning in the session of 1804 an active struggle was waged upon this proposition. The passage of a bank tax bill was finally secured in 1813 by so framing it that it might appeal to the people as a means of furthering their growing demand for a public school system and for internal improvements. These various motives are shown in the text of the act, whose main provisions were as follows : (1). The banks of Baltimore City, together with certain banks in the western part of the state, were to undertake at their own expense, the completion of the National Road to Cumberland. (2). Each bank was to pay into the State Treasury an annual tax of 20 cents upon each \$100 of capital paid in or

thereafter paid in; the proceeds of the tax to be kept as a separate fund for the establishment of a free school system. (3), The charters of the banks accepting this act were extended until 1835, and in the meantime the state was to impose no further taxes upon the banks nor charter any other banking institution within Baltimore City. The offer was accepted by the banks without undue cavilling. The tax was low, and the road construction requirement were regarded as good investments. So good, in fact, that on several other occasions various banks voluntarily offered to undertake the construction of other internal improvements upon similar conditions.

In pursuance of its promise, the state made no attempt to tax the banks until 1835. In that year, in return for a general extension of charter, the State resumed the right of chartering new banks in Baltimore City and of imposing new bank taxes. This new taxation took the form of a charge upon the charter privilege—the familiarly known bank bonuses in amount varying from  $1\frac{1}{2}\%$  to  $3\frac{3}{4}\%$  upon the capital stock of each bank whose charter was extended or newly granted. The twenty-cent school tax was continued in all cases.

The annual tax of 20 cents per \$100 laid upon banking capital was a true corporation tax, the first, and for a long time the only example of its kind in Maryland. The charge known as a "bank bonus" was not strictly a corporation tax but rather what has been called "a license fee charged for the privilege of incorporation or of increasing the capital stock of a company" (Seligman). The taxing of banks, however, was not used as a precedent for the taxing of other corporations. Banking for many years lay under its early odium. It was regarded as a necessary institution but as an unproductive one, whose profits were out of proportion to its services, which needed restraint rather than encouragement, and from which, therefore, a contribution could be exacted with peculiar justice. Tentative efforts were made to bring insurance companies under the same taxing rules as applied to banks, but in only one instance was this done.

The internal improvement enthusiasm of the years from 1825



to 1840 brought into being a score or more of large joint stock companies, and gave the first real opportunity for an extensive application of the corporation tax. No attempt, however, was made to turn the opportunity to such an account. The policy of the Legislature was to encourage as far as possible all improvement undertakings, and, so far from burdening them with extra taxes, to relieve them of all unnecessary expense. The only exception made was in the case of the Baltimore and Washington Branch of the Baltimore and Ohio Railroad upon which a heavy tax was imposed, but the reasons for such an exception do not appear. The tax indeed was in the nature of an after-thought. The original act authorizing the road made no reference to a tax of any kind. It was only in a later revision of the act that the tax provision was inserted, in compensation apparently for the surrender by the state of certain privileges previously reserved. In any case, this example had no influence in the chartering of other improvement companies.

The first extension of the corporation tax to a whole class of corporations, other than the banks, took place in 1839, when an act was passed subjecting foreign insurance companies doing business in Maryland to a percentage tax upon the premiums received by them. The purpose of the act was only incidentally financial, the main incentive to its passage being the patriotic desire to foster the home insurance companies. The mere fact that the objects of the act were corporations had little or nothing to do with the imposition of the tax.

Thus up to 1841 there was little to indicate any general recognition of the corporation as a peculiar species of taxable property, deserving of special treatment. But, nevertheless, the corporation was rapidly becoming a dominant factor in the economy of the State, and its relation to the public finances was becoming a matter of discussion. By 1841 the internal improvement movement had definitely collapsed. The State Treasury was seriously involved therein and a reorganization of the revenue system became imperative. In this reorganization corporation taxation played a part, entering indeed upon a distinctively new period in its history.

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## WOMEN IN THE TRADE UNION.

BY T. W. GLOCKER.

The unionization of the female worker has been retarded by many difficulties. One serious obstacle is the refusal of women themselves to join the union, because of repugnance to its belligerent methods, or through fear of retaliation by employers. Women are also indifferent, or opposed to the union because of the possibility of marriage. Unionism means a present sacrifice for a possible future gain; and this sacrifice, the woman who considers her employment to be only a temporary makeshift, may refuse to undergo. Marriage, also, by causing frequent changes in the personnel of the female employees, multiplies greatly the difficulty of organizing them.

If women have completely absorbed one branch of a trade, and hence do not compete with men for work, their unionization is desired, not opposed, by their male co-employees. As early as 1832, at a great mass meeting of workmen, held in the State House Yard, Philadelphia, one afternoon in June of that year, the following resolution was adopted:—

“AND WHEREAS in the female branches of sewing, making clothes, etc., there is much privation, want, and suffering in consequence of the lowness of prices which they receive for their daily toil, therefore

“*Resolved* that we highly disapprove of the speculation which is carried on upon their virtuous and honest labor.

“*Resolved* that the ladies of Philadelphia be recommended to adopt such measures, as may secure to their sisters in humanity a fair compensation for their industry.”

On several occasions when the female hat trimmers' local of Danbury, Conn., has demanded better working conditions, the hat makers and finishers have struck in sympathy; and, by their co-operation, the strike has been won. But a national union oftentimes will not force the unionization of a branch of trade monopolized by women. The United Hatters of North America will not, for example, admit the female hat trimmers,

of whom only a few have been organized, and so will not pledge themselves to refuse the label to those factories where non-union trimmers are employed. The attitude of the trade union is, as the official of one organization expressed it to the writer: "Let such branches of the craft first organize upon their own initiative, and so demonstrate that unionism is possible among them. The attempt of a national union to force matters might result in its own destruction." As against this, the consideration is sometimes urged that the journeymen of a trade will find the co-operation of their female co-workers useful in case of a strike. But, as an officer of the Amalgamated Lace Operatives of America, who was asked why the female lace menders and finishers had not been unionized, naively explained: "The women, though unorganized, usually strike in sympathy with the men. So it would be no additional advantage to have them in the Union."

Various policies have been pursued by the journeymen of a trade, when women compete with them for the same work. Some organizations, as for example the Cigar Makers' International Union during the first few years of its existence, have refused absolutely to admit their female competitors. But, while it is possible to exclude women, when employed wholly in one branch of a trade, such a policy is suicidal when they compete keenly with men for employment; and, in such cases, national unions, have, sooner or later, been forced to organize them. When women are, at last, admitted, opposition to them sometimes continues in an effort to limit them to certain work. For example, with the introduction of the sewing machine, women using the machine were employed as scabs to defeat strikes of the Journeymen Tailors, and a large proportion of clothing in New York City came to be made by female labor. At the National Convention of Journeymen Tailors in 1866, the competition of women was discussed; and, though no conclusive action was taken, the locals were strongly recommended to admit them to membership. Females were, however, to be confined as much as possible to the "custom department"; and only those working in that department were to be allowed to join the union.

Finally, it is the general policy of the trade union to demand that women be paid the same wages as men for the same work. If women perform this work as efficiently as men, such a demand seems just. But often women possess inferior skill. Sometimes, also, employers appear to prefer male to female employees when forced to pay the same wages to both. The enforcement of this policy has, therefore, caused, in some cases, the discharge of women engaged at certain kinds of work.

When women are admitted to membership by national trade unions, they are organized, if possible, into separate locals. Local unions composed wholly of women undoubtedly existed at a very early date. The Journeymen Cordwainers' Society of New York City—a union of boot and shoe workers—organized about 1833 a Ladies' Branch, which, however, came together only as occasion demanded. The female shoe stitchers of Lynn formed in 1846, a Stitchers' League, which was wrecked after a short time by a few malcontents. In 1855, the stitchers of Lynn secretly re-organized for several years; and it was these same stitchers of Lynn who, in 1883, were the first of the boot and shoe workers to apply for a charter from the Knights of Labor. They were organized as Daughters of Labor Assembly, No. 3016; and, in accordance with the policy of the Knights of Labor were allowed to admit, not only stitchers, but also women working at other trades. The women working in the collar factories of Troy, organized, about 1864, a Collar Laundry Union with a membership, which, at one time, reached about four hundred. Several years later, the Female Cap Makers' Union, the Woman's Typographical Union and the Female Parasol and Umbrella Makers' Union were formed in New York City. In 1874, the Tailoresses of New York City created a union independent of the journeymen tailors, but succeeded in organizing only about fifteen hundred out of a possible twenty thousand employed in the ready made clothing industry of that city. In 1870, the National Lodge of the Daughters of St. Crispin was formed; and subordinate lodges of stitchers were organized in various places. In the same year, a convention of the various women's unions in New York State was held at Cooper Institute in New



York City, and an attempt made to form a State Working Women's Association. But the organization died with the adjournment of the convention. The depression which began in 1873, wrought, however, the destruction of all women's organizations in common with the general wreck of most trade unions throughout the country.

Of late years, the movement to form women's unions, as compared to the growth of similar organizations among men, has proceeded but slowly, though with greater success in the West than in the East. In Chicago, an overwhelming majority of workers in twenty-six different trades, with a total aggregate membership of possibly thirty-five thousand, have been organized. The list of unions includes the Lady Cracker Packers, Waitresses, the Laundresses' Union, the Paper Box Makers, the Scrub-women's Union, and embraces, with two important exceptions,—namely the servant girls and the stenographers,—almost every line of feminine industry in Chicago.

When, as in the case of the boot and shoe stitchers, the over-all workers and the hat trimmers, all employees in one branch of a craft are women, the problem of organizing them into a national trade union, together with the journeymen, primarily becomes a division into locals, according to the character of employment. It has been found necessary, however, to create in small places mixed unions of both sexes. Sometimes, also, when the interests of the male and female branches of a trade are closely interwoven, it is convenient to organize them together in one local even in large cities. Thus, while the bookbinders have formed a women's local of stitchers in New York City, yet it has been found necessary to organize the female stampers of New York into the same union with the gold layers.

When women compete with men for the same work, a mixed local is usually formed in order to better enforce the payment to them of the same wages as men, and to maintain other limitations upon their labor. In 1869, the International Typographical Union granted a charter to the female compositors of New York City. But, after several years' experience, it was found that the women were working for a different scale from the male printers.

The charter was, therefore, revoked ; and the Typographical Union has never since that time attempted to form separate local unions of women. One notable exception to the general trade union policy is found among the Amalgamated Meat Cutters and Butcher Workmen. The butchers organize the men employed in the large packing houses into locals according to the department in which they work. The female employees, scattered throughout the various departments, are, however, at Chicago, South Omaha, and other large packing centers, gathered into one local, known as the "Women's Union."

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#### JURISDICTIONAL DISPUTES IN BREWERIES.

By S. BLUM.

The perfect form of industrial union has for its ideal the formation into one organization of all the crafts which make up the industry. Thus the Brewery Workmen and the United Mine Workers claim jurisdiction over all men working in or around the brewery, or mine, regardless of dissimilarities in the technique of work or in the organizations of the separate crafts. There are certain other unions with industrial tendencies which have not succeeded in unifying all the men in the industry ; these may be termed amalgamations. The craft union or trade union simply attempts to organize all men in the trade irrespective of the industry in which they work. The industrial is a unification based upon location, the trade union is one based upon technique. These forms are antagonistic and have resulted in jurisdictional controversies.

The Brewery Workmen organized a national union in 1887. At this time none of the unions, with which it has since had disputes, except the Coopers, had effected national organizations. The first dispute was with the coopers. The coopers demanded jurisdiction over all cooperage work around the breweries, to include alike new work and repair work. In the convention of

the American Federation of Labor of 1897, the coopers complained that the Brewery Workmen had been repeatedly upheld in the repair and examination of beer packages and that the coopers claimed the right to perform this work. They further alleged that an unjust boycott had been placed by brewery workmen on ale and porter coming from Albany and Troy. During the year so many disputes had taken place between the two organizations that the American Federation of Labor requested the two organizations to form a joint conference board to settle the matter in conflict. This conference committee was ineffectual, and in the following year the president of the American Federation of Labor appointed a committee to hear evidence and to make recommendations as to which unions should have the right to repair loose cooperage in breweries. This committee recommended that, when there was sufficient cooperage in the breweries to require the employment of a cooper, these workers necessarily belonged to the coopers' union. When the cooperage work did not require the entire time of a cooper, all men who did the work should belong to the Brewery Workmen.

In spite of this decision, the brewery workmen refused to surrender their jurisdiction over to the coopers. The coopers further protested that in some factories the tightening of hoops on loose cooperage packages was being done by members of the Brewery Workmen. This contention was not upheld, as the specified work was implied in the decision of the year before; but it was held that all repairing and all new work should be done by the coopers. Thus the case stands. In the conventions of 1901 and 1902 the protests of the coopers continued, but the decision has remained unchanged. The brewery workmen seem to be gradually forcing the coopers out of the business either by assimilation or by putting new men in their places. The decision of the American Federation of Labor in this case has not been influential in deciding the contest.

Though the dispute with the coopers was the first in which the Brewery Workmen were engaged, it is by no means the most important either in the number of men involved nor in the vigor with which it has been fought. In 1896 the National Union of

Steam Engineers was organized and affiliated with the American Federation of Labor ; and two years later the Stationary Firemen organized on national lines. Almost immediately, a jurisdictional controversy arose between these unions and the Brewery Workmen. It is important to consider the controversy in some detail as it brings out very clearly the principles involved and the dangers of these conflicts. In an agreement between the Engineers and Brewery Workmen in 1899, it was agreed that engineers working in breweries should be required to join the engineers' union. This agreement was not lived up to, as the Brewery Workmen not only retained engineers as members but continued to admit them into their organization. In 1900 it was reported that brewery workmen admitted engineers, firemen, machinists, team drivers, coopers and painters as members of their union, thus preventing them from joining the legitimate unions of their trade. These complaints and important struggles led to a decision in all these matters by the grievance committee of the American Federation of Labor.

Despite decisions to the contrary, the Brewery Workmen continued in their attempts to assimilate the firemen and engineers. The struggle reached a climax in St. Louis in 1903. According to a decision rendered at the 1902 convention of the American Federation of Labor, it was provided that the engineers and firemen should have control of their trades and that a committee from the three organizations and the American Federation of Labor should draw up an agreement for the adjustment of future difficulties. This was done in January, 1903. Immediately the Brewery Workmen called a special convention, and so changed the agreement as to make it meaningless. At the Toronto meeting of the executive council of the American Federation of Labor the legality of the decision of the Federation was denied by the Brewery Workmen ; but their contention was not sustained. At the same meeting the Firemen and Engineers demanded that the charter of the Brewery Workmen be revoked. The executive council denied this demand but stated that "the causes of the constant strife by strikes and lockouts are due primarily to the unwise course pursued by the United Brewery Workmen's International



Union in rejecting and acting in violation of the advice and decision rendered as the result of the experience of the labor movement." This admonition had no effect, and an organizer of the American Federation of Labor was sent to St. Louis to effect a settlement.

The Engineers and Firemen stated that for some time prior to August 25, 1903, they had a majority of the men in the trade. They attempted to put agreements into force with the St. Louis Brewers' Association but were refused. The Anheuser-Busch Brewery Company suggested that a meeting be held to meet the representatives of the two unions, and if the Brewers' Association refused to do business with the unions the independent breweries would. When the time set for the meeting arrived the Engineers and Firemen found that the Brewery Workmen were already in conference with the Association. The next day representatives of the Engineers and Firemen visited the individual breweries and demanded that the agreement be signed. When this was refused, the men were called out in the engine and boiler rooms, and their places were taken by members of the United Brewery Workmen. The Brewers' Association took the position that the Brewery Workmen did not consider the decision of the American Federation of Labor as final, and that until the controversy was settled once and for all, the Association would stand neutral. The Association finally agreed to do business with the engineers and firemen, provided the American Federation of Labor would guarantee to fill the places of the Brewery Workmen in the event of a strike by them. The American Federation of Labor, of course, refused to guarantee this, and in consequence no agreement was entered into by the Association with the Engineers and Firemen.

No settlement having been made either of the St. Louis controversy or of the general question of jurisdiction, the case was continued in the 1904 convention of the American Federation of Labor. The Executive Council's recommendations, which were concurred in by the grievance committee and by the Convention itself, included not only firemen and engineers but also teamsters, who in the meantime had formed a national union. The com-

mittee decided that all past agreements and decisions be replaced by the following provision which was to become the basis for working agreements between the organizations :

“All brewery employees now [1904] members of the United Brewery Workmen’s Union may remain such provided that all firemen, engineers and teamsters affiliated with it might withdraw without prejudice to themselves. In the future, Brewery Workmen are not permitted to admit any of the above mentioned trades into their organization, on the other hand these trades are supposed to conform to the laws, rules and regulations made by the organization to which the majority of the employees of the brewery belong.”

It is notable that this decision has not strengthened the position of the Engineers and Fireman to any greater extent than the decision of 1899. Certainly the end of the controversy is not yet in sight.

We have gone into the details of the dispute because it brings out clearly certain principles involved in all important jurisdictional controversies :

- (1) Jurisdictional controversies lead to scabbing.
- (2) That in deciding disputes the point at issue is to find the legitimate union in the trade and it is thus a phase of the union shop controversy.
- (3) That there are no efficient means yet devised to adjust important controversies satisfactorily.

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## THE RETIREMENT ASSOCIATION OF THE LETTER CARRIERS.

BY J. B. KENNEDY.

The National Association of Letter Carriers of the United States is composed of letter carriers in the employ of the United States Government. Organized in 1889, the Association has as its primary purposes, first, to unite all letter carriers in the United States, second, to secure their rights as Government

employees, and third, to conduct a national benefit association. The payment of insurance against death has met satisfactorily the needs of letter carriers, but a feeling has existed for some time that the association ought to give protection to members who have become incapable, on account of advancing years, of performing the duties of letter carriers.

At the Denver Convention, held in 1902, the National Association organized a "Retirement Association" for the support of its aged and disabled members. Under the original law, which went into effect on January 1, 1903, the Association issued retirement certificates to members in the sums of \$500, \$400, \$300, and \$200 at monthly premiums of \$6.70, \$5.35, \$4.00, and \$2.70 respectively. On retirement, after having paid thirty annual premiums, or their equivalent, a member was entitled to receive annually the amount of his certificate. The retirement might also take place after thirty years' service, or after thirty years' membership in the Association, or after the age of sixty-five had been reached, provided ten annual premiums had been paid. This "ten annual premium" concession was for the benefit of the old men whose circumstances would not allow them to pay the sum of thirty years' premiums. The concession was to be only for a period of ten years.

Provision was made that, after January 1, 1906, any member of the Retirement Association who should serve as a letter carrier or should continue a member for a stated term of years, and who should become permanently incapacitated, mentally or physically, for any kind of remunerative labor before thirty years' service or before attaining the age of sixty-five, should receive annually from the retirement fund a certain per cent. of the face value of his retirement certificate. The amount was proportioned to the years of service. For five years' membership such a member received fifteen per cent. ; for ten years, thirty per cent. ; for fifteen years, forty-five per cent. ; for twenty years, sixty per cent. ; for twenty-five years, seventy-five per cent.

Members of not less than five years' standing might, after ninety days notice to the chief clerk, withdraw from the Associa-

tion ; and in such event, they became entitled to receive seventy-five per cent. of the annual premiums paid to the Association. Also in case of death within two years of retirement and prior to the payment of not more than twenty-four monthly installments of pension, the Association agreed to pay to the widow or children the annuity provided in the deceased member's certificate until the amount paid should aggregate seventy-five per cent. of all premiums received by the Association.

The original plan was a failure. In it, business principles were sacrificed for fraternity. Relief had been provided for the old men particularly, but very few even of these took advantage of the opportunity. The young men refused to enter, because the favorable rates to old men placed a heavy burden upon the younger members. The report of the chief clerk to the Syracuse Convention in 1903, showed that up to September 1, 1903, only eighteen retirement certificates had been issued, of which thirteen were for \$500, two for \$300, and three for \$200. The average age of membership at entrance was fifty-three and the average length of service, twenty-two years. The total receipts of the retirement fund were only \$380.90. On September 1, 1905, the total number of certificates issued had reached twenty-five, with only nineteen outstanding, while the retirement fund had increased to \$2,839.88.

The originators of the Retirement Association were forced to abandon their experimental fraternity scheme and to formulate a plan based more nearly upon business principles. Consequently, at the Portland Convention in September, 1905, Chairman Goodwin and Chief Clerk Wilson of the Retirement Committee proposed a new plan.

Under the new law, which becomes operative on January 1, 1906, the Retirement Association was authorized to offer insurance against disability and insurance against old age. The members of the Association are, therefore, divided into two classes—"annuity members" and "disability members," but those duly qualified may hold both annuity and disability certificates. Any member of the National Association of Letter Carriers may become an "annuity member," but only those



under sixty-five years of age, and in good physical condition may become "disability members." A member retiring from the carriers' service ceases to be entitled to disability relief; on the other hand, retirement from carrier service does not affect the right of a member to an annuity. The plan provides for annuities of one, two, three, four and five hundred dollars to be paid after a certain age.

The cost of an annuity under the new law depends upon two factors:—(a) The length of the period between the date of entry and the commencement of the annuity, (b) The life expectancy at the age when the annuity begins. For example, a member twenty years of age, who desires to begin drawing his annuity at fifty, must pay an annual premium of \$55.92 for each \$100 of annuity. Entering at forty years of age and desiring to begin drawing his annuity at sixty-five, he would be required to pay annual premiums of \$22.92 for each \$100 of annuity.

The disability certificates guarantee an indemnity of eight dollars per week for loss of time resulting from disability caused by accident or disease. No more than twenty weeks' disability benefit may be paid during any one year. The benefit may be drawn at one time or at different times during the year. Should a member, after entry into the Association, become permanently disabled by any chronic disease that may, in the judgment of the board of directors, cause a permanent drain upon the funds of the Association, the said member is to receive the disability allowance for twenty weeks, after which his certificate is to be cancelled. The disability feature as thus defined is not, technically speaking, disability insurance, but rather a sick benefit. There are two rates of assessment for the support of the disability benefit. Up to fifty years of age all members pay fifty cents per month, and all over this age pay seventy-five cents per month, but no one over sixty-five years of age may enter the Association.

The letter carriers have also attempted to secure the aid of the government in providing an old age pension. At the Portland Convention held in September, 1905, a plan was approved under which the Post Office Department of the United States is requested to grant extended leave of absence to "superannuated

or permanently impaired" carriers on condition that they accept forty per cent. of their regular salary, while retired, and that they pay the remaining sixty per cent. to the senior substitute in the office. Under the conditions of this plan, the applicant for retirement must submit himself to the board of examiners who shall, after a physical examination by the physician of the board, determine his eligibility for retirement. The officials claim that this plan would remove the detrimental effect which the employment of old men has upon the efficiency of the service.

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### THE LABEL OF THE UNITED HATTERS OF NORTH AMERICA.

BY E. R. SPEDDEN.

The board of directors of the Hat Finishers' Association and the Hat Makers' National Union met in 1885, and adopted a union label which they called "The Label of the United Hatters of North America." The label is rectangular in shape, printed on buff paper with perforated edges. It portrays the clasped hands of brotherhood, equality and justice below a figure of the globe of the world. It has the inscription, "The United Hatters of North America." The printing and emblems are arranged in concentric circles; that of the printing is without the circle containing the emblems.

An uniform method of attaching the label is insisted upon by the union. The label is sewed under the band, and the threads of the bow must pass through the label to prove that the label is authentic, and not affixed to hats after they have been made by non-union labor. The label is not allowed on "knock-downs" and is intended to represent good workmanship as well as union labor.

The label of the Hatters is gradually gaining a greater vogue. In the half year from December 1, 1896, to May 31, 1897, over 3,000,000 labels were used. In 1901 it was reported that the organization was using over 1,000,000 each month. The secre-

tary of the union wrote in August, 1900, that over 25 non-union factories had been unemployed since 1896, the result of the influence of the label. The manufacturers declared in 1898, that they believed that over 95,000,000 labels had been used and the demand for goods bearing the label was steadily on the increase. Up to 1901, over 133,000,000 labels had been put into circulation. The president of the Hatters, in an address before the New York Convention of 1903, stated that the label of the United Hatters had "found its way to all parts of the world in 157,522,694 hats." In January, 1904, 2,000,000 labels were being used each month, and about 80% of the hat manufacturers in this country were using the label on their goods.

The Hatters have adopted a vigorous policy of advertising the label. Thus match-safes bearing a likeness of the label are given away for a certain number of union labels, and in labor parades the label is conspicuously displayed. In 1899 an official was appointed in New York State, solely for the purpose of advertising the label and prosecuting all cases of infringement. One of the results of his work was to detect and prevent the counterfeiting of the Hatters' label by a firm, which admitted its guilt, turned 55,000 labels over to the organization, unionized its factory and consented to pay \$200 damages. About \$30,000 a year has been spent in advertising the label since March 15, 1896, when the present form of the Hatters' label first appeared.

The label is not used on straw, cloth, wool and silk hats. The cap makers have a label of their own, and in silk hats the label of any union does not appear, though the silk hat makers have a union of their own. The largest manufacturers who do not use the label are the Stetson and Knox companies. These factories are non-union, and as such are not given the label, though making a high-class product. This seems to be one of the difficulties of the Hatters in the use of their label. Many factories, some employing all union men, do not use the label either because they do not care to commit themselves as to their attitude towards the union, or because their trade makes no demand for the label.

The union's regulations provide that no manufacturer who

“gets up caps and brims, that is brims and crowns sewed and pasted together, shall under any circumstances be allowed the use of the label.” The minimum wage of \$18 per week for a young man, sanitary conditions of labor and a normal working day are requisite for the use of the label. Only union shops are allowed the label, especially strictly union finishing departments. Any union shop having at least one member in good standing may use the label. The label laws form a division in the constitution and are minute in their specifications.

The Hatters maintain exclusive control of their label. No employer is allowed to share in any way in its expense. The object of such action is to keep the label entirely under the control of the union, and to maintain it apart from any influence outside of the Hatters' organization. “The label shall not be removed from any factory under the jurisdiction of the United Hatters of North America without the consent of the general executive board” (Art. XIII, sec. 2, Constitution of 1900). This provision makes it possible for both sides to be heard in case of any dispute and removes from the jurisdiction of any local board any action which might be the result of hasty or biased opinion. The label is of vital importance to the national union and its use must be subject to the scrutiny of the central body.

Great difficulty has been experienced by the Hatters in preventing the counterfeiting of the label. Forty States and Territories have adopted laws protecting the trade-union label as a registered trade mark. Any infringement is usually punished as a misdemeanor and the parties guilty of counterfeiting are liable to suit for damages. The unions must register their respective labels with the Secretary of State either in copy or in fac-simile. The officers of the Hatters' organization are constantly on the watch for any case of infringement in the form of counterfeit labels, improperly attached labels, labels being used on “knockdowns,” or any use of the Hatters' label on goods other than those finished by the United Hatters.

All sorts of devices are tried by the jobbers to take advantage of the label. Goods are bought from the manufacturers and, when they arrive, they are often stored away and sold as con-



taining the label. When a union man turns down the sweat band and does not find the label, the jobber or retail man has many apologies to offer. The stitching generally gives the clue to any fraud and for this reason, the Hatters demand a uniform method of attaching the label. A so-called "French Label" has worked some ill effects upon the Hatters. This label purports to be the emblem of a French organization and is found in so-called "imported" hats. At present the Hatters are active in their agitation against this label and are meeting with reasonable success.

An interesting phenomenon in connection with the label is the sectional demand for goods bearing it. Pennsylvania is perhaps the State where the largest sale of label goods occurs in the East. This is undoubtedly due to the strong union among the miners and a resultant trade union sympathy and fraternal relation with other forms of labor organizations. The west and middle-western districts also reveal this tendency. In the south the label has comparatively little influence upon sales. The Hatters are, however, vigorously canvassing that section, and with good results.

The object of the label among all unions is to control primarily the trade, and especially to educate the laboring people to purchase only union goods. The Hatters place great emphasis upon these facts. The "boycott" has always been an instrument of doubtful expediency, and the label has been gradually substituted for the "boycott" as a controlling force. "Government by injunction" has always been extremely unpopular, and strikes are dangerous experiments. As a substitute for these, the label has been effective, by influencing the trade, and in aiding the Hatters in many of their disputes with capital.

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## EUROPEAN METHODS OF CONTROL OVER RAILWAY RATES.

BY W. H. BUCKLER.

The treatment of railway companies by the chief European states has assumed four different forms :

(1). In Germany, Austria, Hungary, Russia, Italy, Belgium, and Switzerland, the State has either built the railway lines, or has bought out the large companies and now works their lines itself. There may be an occasional exception, such for instance as the Sardinian Railway, in which an independent company still survives. But the seven countries named have on the whole committed themselves to State ownership and operation.

(2). In Spain and Holland the State has reserved the right to modify the tariffs of the railway companies on condition that it shall compensate the companies for any loss of net earnings resulting from an enforced reduction of rates.

(3). England has constituted a special tribunal, the Railway and Canal Commission, before which plaintiffs alleging undue preference, wrong classification, unreasonable rates, or any other contravention of the many Railway and Canal Traffic Acts, can sue the offending company and obtain damages or other redress.

(4). In France, the principal railway lines, the ground occupied by which belongs to the State, have been conceded for a long term of years to six great companies ; these have the privilege of proposing the tariffs, while the State exercises the right of accepting or rejecting such proposals, and without its approval no rate can legally be charged.

The comparative merits or defects of the system of State ownership can only be fairly weighed with reference to the circumstances of a particular country. For instance, the superior military effectiveness of State railways, in consequence of which Germany is able seriously to threaten the French frontier, is an advantage that would not count in the United States. And there are other arguments by which Austria, Hungary, Belgium, and, more recently, Switzerland and Italy, were led to adopt

their respective plans of State ownership, but which in this country would have no weight.

The Spanish and Dutch systems have never been made effective, and the right of those governments to reduce rates is one by which the companies have remained practically untouched ; so that lessons in the art of public control are scarcely to be derived from that source.

The English method resembles our own, and has proved to have similar defects. It is slow, expensive, and ill adapted to deal with the enormous mass of detail necessitated by the railway tariffs of a busy industrial country. The last (16th) report of the Railway and Canal Commissioners shows a list of 103 cases only tried or pending during the previous year. Under certain conditions a rate cannot go into effect without the consent of the commissioners, but no official mechanism exists for validating all rates. The Commission merely pronounces a certain small number of rates to be invalid, provided the shippers thereby affected take the trouble of disputing them. It is true that the English companies are also bound by special "Rates and Charges Acts" passed by Parliament, but the maximum tariffs fixed by these are of little value, since maximum rates soon come to have a mere antiquarian interest. If then we are seeking a plan of thorough regulation, England has not much to teach. We already possess in the Interstate Commerce Commission something analogous to the English system, and the reports of that Commission have demonstrated the defects under which such a system labors.

The French mode of controlling rates is far more thorough than either the English or the American method, and is carried into effect by a highly differentiated organization of government experts well adapted for the work to be performed. It is reasonably free from those features which are supposed to render government control a bane to capital and enterprise, yet it nevertheless succeeds remarkably well in preventing the discriminations and the reckless rate-making of which American railways are constantly accused. It has been thoroughly tested since 1846 in a prosperous democratic country, full of jealous cities

and of keenly competing industries, and now possessing a total railway network of 25,000 miles.

We should bear in mind that in relation to French railway companies the legal powers of the State, being strictly defined in the contracts by which the railway concessions were made, are far more limited than those of our government in relation to our companies. There are other points of difference between our railways and the French which need not concern us here. For instance their concessions are limited in time, having now about 50 years more to run ; the State since 1883 has guaranteed to some of them a minimum dividend ; their construction, equipment and operation are subject to minute State supervision. But for the purpose of our comparison with American railways these differences are not material, since in all things connected with the making of rates, except the one feature of public regulation, the French railway companies closely resemble our own. Each is a great business corporation, controlled by its stockholders, administered by its directors, and organized with the main object of earning the largest possible dividend on its shares.

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## CONTENTS

	PAGE
THE ECONOMIC SEMINARY, 1906-1907:	
The Convention between the United States and the Dominican Republic. By JACOB H. HOLLANDER, - - - -	4
The Budget of the Typographical Union. By GEORGE E. BARNETT, - - - - -	9
Supervisors of City Charities, Baltimore City. By JOHN M. GLENN, - - - - -	12
The Relation of Railroad Rates to Capitalization. By LOGAN G. MCPHERSON, - - - - -	16
Beneficiary Features of the Iron Molders' Union of North America. By J. B. KENNEDY, - - - - -	21
Trade Unionism in Baltimore before the War of 1812. By T. W. GLOCKER, - - - - -	26
The Cigarmakers' "Blue Label." By E. R. SPEDDEN, -	30
The Minimum Wage in Baltimore Trade Unions. By D. A. MCCABE, - - - - -	34
The Molding Machine. By EDWIN T. CHEETHAM, - -	36
Frederick W. Hilbert, - - - - -	40
PROCEEDINGS OF SOCIETIES, - - - - -	44
CURRENT NOTES, - - - - -	47

# THE JOHNS HOPKINS UNIVERSITY CIRCULAR

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New Series, 1907, No. 4

APRIL, 1907

Whole Number, 196

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## THE ECONOMIC SEMINARY, 1906-1907

Edited by PROFESSOR J. H. HOLLANDER and ASSOCIATE  
PROFESSOR G. E. BARNETT.

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Emphasizing as its primary design the development of sound method in economic research, the Economic Seminary has continued, during the current academic year, to give chief attention to an investigation into the history, activities and influence of labor organization in the United States. Appreciable progress has also been made by individual members of the Seminary in the study of specific aspects of the general subject. During the summer, field work was carried on in various carefully selected localities, and the data thus collected have since been supplemented and corrected by documentary study and personal interview. The material resources necessary for the inquiry have been supplied by the continued generosity of the donor, whose original gift made its inception possible.

A second, much enlarged edition of the "Trial Bibliography of American Trade-Union Publications" has been issued under the editorship of Associate Professor Barnett, embodying much additional documentary material collected by the Seminary during the past two years. Two monographic studies, submitted by senior members of the Seminary in part fulfillment of the requirement for the doctor of philosophy degree, are now in press



for issue in the *Johns Hopkins University Studies in Historical and Political Science*, xxv Series, as follows: "Apprenticeship in American Trade Unions," by James M. Motley, Ph. D., and "The Financial History of Maryland, 1789-1848," by Hugh S. Hanna, Ph. D.

The record of the proceedings of the Seminary and abstracts of certain papers presented are appended:

- |          |     |   |
|----------|-----|---|
| October  | 3.  | Reports of the summer field work and outline of the work of the Seminary.   |
| October  | 10. | "The Federation of Local Trade Unions," by T. W. GLOCKER.   |
| October  | 17. | "The Strike of the Baltimore Butchers," by E. H. MORSE.<br>"Child Labor Conditions in the Corn and Tomato Canningeries of Maryland," by S. BLUM.  |
| October  | 24. | "Sick Benefits in American Trade Unions," by J. B. KENNEDY.   |
| October  | 31. | "Trade Unionism in Baltimore in 1808 and 1809," by T. W. GLOCKER.<br>"Recent Increase in the Rate of Interest by the Bank of England," by E. T. CHEETHAM.   |
| November | 7.  | "Jurisdictional Disputes in American Trade Unions," by S. BLUM.<br>"The Debt of San Domingo," by Professor HOLLANDER.   |
| November | 14. | "Amalgamation of Trades as a Cause of Jurisdictional Disputes," by S. BLUM.   |
| November | 21. | "Apprenticeship in the Iron Molders' Union of North America," by Dr. J. M. MOTLEY.  |
| November | 27. | "A Comparison of Industrial Conditions in England and America," by DOUGLAS KNOOP, A. M.   |
| December | 5.  | "History of the Trade Union Label," by E. R. SPEDDEN.   |
| December | 13. | "The Minimum Wage in the Baltimore Building Trades," by D. A. MCCABE.   |
| December | 20. | "Problems of Rural Life in Ireland and America," by Sir HORACE PLUNKETT, Vice-President of the Department of Technical Instruction for Ireland, and by Mr. GEORGE FLETCHER, Assistant Secretary of Technical Instruction for Ireland. |
| January  | 3.  | "Economic Significance of Death and Disability Benefits in American Trade Unions," by J. B. KENNEDY.  |
| January  | 9.  | "The Control of Strikes in American Trade Unions," by E. H. MORSE.  |

- January 17. "Finances of the International Typographical Union,"  
by Dr. GEORGE E. BARNETT.
- January 23. "Rise and Territorial Growth of National and Inter-  
national Trade Unions," by T. W. GLOCKER.
- January 31. "Death and Disability Benefits in American Trade  
Unions," by J. B. KENNEDY.
- February 6. "Administration of Death and Disability Benefits in  
American Trade Unions," by J. B. KENNEDY.
- February 14. "The History of the Cigar Makers' Label," by E. R.  
SPEDDEN.
- February 20. "The Regulation of the Cigar Makers' Label," by E. R.  
SPEDDEN.
- February 28. "Railroad Rates and Capitalization," by LOGAN G.  
MCIPHERSON.
- March 7. "The Minimum Wage in Baltimore Trade Unions," by  
D. A. McCABE.
- March 15. "American Socialism," by WILLIAM H. MALLOCK, Esq.,  
discussed by Hon. CHARLES P. NEILL, U. S. Commis-  
sioner of Labor and the Rev. Dr. WILLIAM J. KERBY,  
of the Catholic University.
- March 21. "The Minimum Wage in Industrial Unions," by D. A.  
McCABE.
- March 27. "Legal Aspects of the Trade-Union Label," by E. R.  
SPEDDEN.  
"The Convention between the United States and the  
Dominican Republic," by Professor HOLLANDER.
- April 11. "Legal Aspects of American Trade-Union Benefits," by  
J. B. KENNEDY.
- April 17. "Trade-Unionism in Sweden," by GÖSTA BAGGE.
-

THE CONVENTION BETWEEN THE UNITED STATES AND  
THE DOMINICAN REPUBLIC.

By JACOB H. HOLLANDER.

On March 18, 1905, the United States Senate adjourned without final action on the agreement between the United States and the Dominican Republic providing for the collection and application by the United States of the customs revenues of the Dominican Republic.

In this juncture, in view of the certainty of domestic irruption and the likelihood of foreign intervention in San Domingo, the United States acceded to the proposal of the Dominican Republic for an *interim* arrangement. This arrangement provided for the collection of customs revenues by a person nominated by the President of the United States and commissioned by the Dominican Government, and for the segregation of fifty-five per cent. of the proceeds in a depository designated by the President of the United States, to be ultimately applied to the discharge of the debt. On April 1, 1905 this temporary arrangement went into effect and has since remained in actual operation.

With the lapse of time and the satisfactory working of the *interim* arrangement, there seemed reason for believing that much of the opposition to the original agreement on the part of the United States Senate was due to the large responsibilities therein imposed upon the United States. It was thought that much of this opposition would disappear if, instead of the United States both adjusting the debt and collecting the customs for the payment thereof, the Dominican Republic should itself arrive at a voluntary agreement with all recognized debtors and claimants, and the United States merely undertake to administer the customs for the service of the debt as adjusted.

Assured of the good offices of the United States in such an endeavor, the President of the Dominican Republic appointed Senor Federico Velazquez, Minister of Finance and Commerce, as special commissioner for the adjustment of the financial difficulties of the Republic. Senor Velazquez came to the United

States in the latter part of June, 1906, and remained here, busily engaged, for the two months succeeding. The result of his labors were three conditional engagements, in harmony with the plan proposed :

(1) An agreement with Kuhn, Loeb & Co., of New York City, for the issue and sale, at 96, of bonds of the Dominican Republic to the amount of \$20,000,000, bearing five per cent. interest payable in fifty years, and redeemable after ten years at 102½, and requiring payment of at least one per cent. per annum for amortization. The proceeds of the bonds, together with the funds segregated for the benefit of creditors under the *interim* arrangement were to be applied first to the payment of the debts and claims as adjusted, second to the extinction of certain burdensome concessions and monopolies, and, third, to the construction, under proper restrictions, of railroads, bridges and other public improvements. All of the above was conditioned upon the completion of a treaty with the United States, by the terms of which the United States should undertake the collection of the customs revenues of the Dominican Republic and the application thereof, so far as necessary, to the service of the new bonds, the remainder being paid over to the Republic.

(2) An agreement with the Morton Trust Company, of New York City to act (a) as depositary to receive the purchase price of the new bonds when paid and to encourage and promote the adjustment of the outstanding indebtedness and claims in accordance with the terms offered by the Republic ; and (b) as fiscal agent of the loan, to receive from out the customs revenues collected by the United States the sum of \$100,000 monthly to be applied to the payment of interest upon and to the provision of a sinking fund for the new bonds.

(3) An offer of settlement to the holders of recognized debts and claims, enumerated therein, to adjust these in cash at rates ranging, respectively, from ninety to ten per cent. of the nominal values. Assenting holders were required, in order to obtain the benefit of this offer, to signify their acceptance in writing and to deliver their obligations, duly assigned, to the depositary. The nominal aggregate of the recognized debts and claims included in



the offer of settlement, exclusive of accrued interest, was \$31,833,510, for which the Republic proposed to pay in adjustment \$15,526,240, together with certain interest allowances correspondingly reduced.

On January 5, 1907, the holders of debts and claims had assented to the terms of the offer of settlement in sufficient amount to assure the success of the readjustment, as in so far dependent. A new convention between the United States and the Dominican Republic was accordingly prepared, and on February 8, 1907, this received the signature of the respective plenipotentiaries at Santo Domingo City. On February 12th a telegraph copy of the convention was transmitted by President Roosevelt to the United States Senate for the advice and consent of that body to its ratification, and on February 19th, this copy was replaced by the signed original. Six days later, on February 25th, the Senate ratified the treaty with but one verbal and unimportant change. The convention now only awaits the approval of the Dominican Congress to become effective.

The new convention recites in preamble form that disturbed political conditions in the Dominican Republic have created debts and claims, many of doubtful validity, amounting in all to over \$30,000,000 ; that the same conditions have allowed this debt to go into default and that the pressure thereof is a burden to the Republic and a barrier to its improvement and prosperity ; that the foreign creditors have agreed to accept about \$12,407,000 for debts and claims amounting to about \$21,104,000 of nominal value, and the holders of internal debts or claims of about \$2,028,258 nominal value have agreed to accept about \$645,827 therefor, and the remaining holders of internal debts or claims on the same basis as the assents already given will receive about \$2,400,000 therefor, which sum the Dominican Government has fixed and determined as the amount which it will pay to such remaining internal debt holders ; making the total payments under such adjustment and settlement, including interest as adjusted and claims not yet liquidated, amount to not more than about \$17,000,000.

The convention continues, that a part of such plan of settlement is the issue and sale of bonds of the Dominican Republic to the amount of \$20,000,000, bearing five per cent. interest payable in fifty years, and payable after ten years at  $102\frac{1}{2}$ , and requiring payment of at least one per cent. per annum for amortization. The proceeds of such sale, together with sums heretofore set aside, are to be applied to the payment of the adjusted indebtedness, and to the extinction of burdensome concessions, and thereafter to the construction of works of internal improvement; moreover that "the whole of said plan is conditioned and dependent upon the assistance of the United States in the collection of customs revenues of the Dominican Republic and the application thereof so far as necessary to the interest upon and the amortization and redemption of said bonds, and the Dominican Republic has requested the United States to give and the United States is willing to give such assistance."

The two governments therefore agree that the President of the United States shall appoint a General Receiver of Dominican Customs, who with the necessary assistants, likewise appointed, shall collect all the customs duties of the Republic until the payment of redemption of the bonds so issued. From the sum so collected, the General Receiver, after discharging the expenses of the receivership, shall pay over to the fiscal agent of the loan on the first day of each calendar month, the sum of \$100,000 to be applied to the payment of the interest and the amortization of all the bonds issued. The remainder of the sums collected by the General Receiver are to be paid monthly to the Dominican Government.

The Dominican Government may apply any further sums to the amortization of the bonds, over and above the one per cent. sinking fund provision stipulated; but in any event, should the customs revenues collected by the General Receiver in any year exceed the sum of \$3,000,000, one-half of the surplus above such sum of \$3,000,000 must be applied to the sinking fund for the further redemption of bonds.

The Dominican Government agrees to provide by law for the payment of all customs due to the General Receiver and his

Assistants, and to give them all useful aid and assistance and full protection to the extent of its powers. The Government of the United States in turn undertakes to give to the General Receiver and his assistants such protection as it may find to be requisite for the performance of their duties.

Provision is also made that until the Dominican Republic has paid the whole amount of the bonds so created there shall be no increase of its public debt except by previous agreement between the Dominican Government and the United States, and that the like agreement shall be necessary for any modification of the Dominican import duties, provided that an indispensable condition for the modification of such duties shall be "that the Dominican Executive demonstrate and that the President of the United States recognize that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modifications, the total net customs receipts would at such altered rates of duties have been for each of such years in excess of the sum of \$2,000,000 United States gold." The accounts of the General Receiver must be rendered monthly to the Contaduria-General of the Dominican Republic and to the State Department for examination and approval by the appropriate officials of the two governments.

The distinctive feature of the new convention as compared with the original agreement is this : that the United States does not undertake to adjust or determine the Dominican debt, but merely to administer the customs of the Republic for the service of a new loan, the proceeds of which are to be devoted to the discharge of all recognized debts and claims, reduced to a basis acceptable both to the Republic and the creditors. Even this responsibility is limited to a period of fifty years and may, with the prior amortization of the loan, be terminated at an earlier date. During this period the Dominican Republic is not to increase its public debt nor to modify its import duties save in agreement with the United States.

To the Dominican Republic this extension of the United States' good offices means that debts and claims aggregating some

\$32,000,000 will be discharged for about \$17,000,000, that the Republic's credit is at once established on a very high plane, that onerous concessions and monopolies are to be redeemed and important works of internal improvement undertaken, that civil quiet and adequate revenues for the maintenance of government are assured, and that imminent danger of foreign intervention is removed,—and all this without loss of territorial integrity nor menace of independent sovereignty.

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## THE BUDGET OF THE TYPOGRAPHICAL UNION.

By GEORGE E. BARNETT.

The balancing of expenditures and receipts during the early period in the financial history of the Typographical Union was a very simple matter. Of the two great items of expenditure—printing of proceedings and salaries—the first was comparatively stable and could be calculated with some exactness. The flexible element was the salary list. Until 1888 the amount of salary paid any officer was entirely within the discretion of the session. The constitution provided that the Secretary-Treasurer should be paid for his services, but the amount was not fixed. As soon as the Union had a surplus, the practice of paying the president and other officers began, but these payments were always regarded as honorary rewards and in any financial stress were scaled down or omitted. For some years the amount of these payments was decided upon by the Union without any preliminary consideration in committee, but from 1866 all motions of a financial nature were referred to the committee on finance, which made up a list of salary recommendations. The proposals of the committee were usually followed by the Union, although on more than one occasion a large surplus was the signal for an attempt to largely increase the officers' salaries. The per capita tax thus remained stable until 1885, the annual rate being 20 or 25 cents.



Since 1889 the per capita tax has been regularly apportioned by the Union among the several funds. This apportionment of the tax has been fairly successful. The greater part of the expenditures of the Union can be calculated with exactness; thus, the *per capita* cost of the Burial Benefit, of the Printers' Home, and of administration vary only slightly from year to year. But disparities in the expenditures and receipts have occurred from time to time, and in recent years have become increasingly important. Three devices have been resorted to on these occasions :

(a) The session of 1892 provided that the Secretary-Treasurer might transfer money from the general fund to the defense fund when the amount in the general fund should exceed \$2,000. No transfers were made under this law, but in 1896 the Union authorized the executive council to transfer moneys of the Union from one fund to another "whenever deemed necessary for maintaining the integrity of the organization." This authorization has been liberally construed and deficiencies in the general fund constantly accruing from 1897 to 1904 were made up by transfers from the burial fund and from the defense fund.

(b) Far more important than the transfer of funds as a means of equalizing the expenditures and receipts, has been the practice of levying special assessments. The defense fund has received the benefit of all these assessments and the occasion of each has been a national struggle. When the defense fund was established collective bargaining in the Typographical Union was entirely on a local basis. The formation of the Typothetæ has been followed by strikes of a magnitude hitherto unknown in the trade. The conduct of these strikes has come to be almost entirely in the hands of the National Union. Each special assessment represents a definite stage in the history of collective bargaining.

(c) The national officers have never been satisfied with the special assessment in its present form as a means of financing strikes. In order to levy special assessments, the executive council must submit the proposition to the referendum. At least a month is required and the uncertainty of the result has a bad

effect on the striking union. The executive council has at various times proposed to the membership other plans of financing strikes. In 1899 the referendum voted on a proposal to empower the council to levy assessments, without consulting the membership. Another proposal submitted at the same time provided for a *per capita* tax of ten cents monthly to be devoted to the establishment of a permanent defense fund of \$100,000. It was pointed out that the strike benefit of a married man for a week consumed all his payments to the defense fund for eight years. All the propositions were defeated although the majority against the first one was not large. In 1900 a proposal to levy a *per capita* tax of six cents for the establishment of a reserve fund was defeated by a large majority.

The Union is obviously opposed to increasing the funds for defense at the disposal of the officers. The same feeling which has kept in existence the antiquated convention—the desire to maintain some effective supervision of the official staff—has made the Union unwilling to forego its direct supervision of all extraordinary expenditures for defensive purposes. It must be borne in mind that the greater part of the duties of the officers are strictly routine and that the granting aid from the defense fund is their most important deliberative task. The policy of the Union might be seriously changed if this power were augmented. While the membership has never refused to vote a strike assessment proposed by the council, the possibility is always present that it may do so.

The partial accomplishment of the plan of the council was brought about, however, in 1903 by a favorable conjunction of circumstances. In 1902 the Union had voted a special tax of five cents monthly in aid of the fight of the Los Angeles Union against the *Los Angeles Times*. At the session of 1903 the president suggested that this tax be devoted to the establishment of a special defense fund. The membership, already accustomed to the payment of the tax, assented by a large majority, to its continuance. The special defense fund thus created was entirely at the disposal of the executive council. By May 31, 1905, the fund amounted to \$37,671.09. The eight hour strike which

began in September of that year made it necessary within a short while to resort to a special assessment.

Collective bargaining on a national scale means the possibility of very costly strikes and it hardly seems possible to obviate entirely the necessity of special assessments. The burden of such assessments may be sensibly diminished by a system of reserve funds. In any national strike, however, the taking a referendum has political advantages which may be expected to outweigh the purely financial reasons advanced for an extreme reserve policy.

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#### SUPERVISORS OF CITY CHARITIES, BALTIMORE CITY.

BY JOHN M. GLENN.

Prior to 1896 the Mayor and City Council of Baltimore had been in the habit of making appropriations to private institutions for the care of children, of the sick, of the insane and for some aged people in lump sums to private institutions with practically no supervision of the work done by the institutions and no inquiry as to the claims of applicants for aid. The city had also conducted its own almshouse which was supposed to be for the care of aged and infirm persons and certain classes of the sick. Up to 1896 admission to the almshouse had been comparatively easy to any and every applicant who seemed to be poor. There was little discrimination between those really in need of help and able-bodied bums. A new board of trustees appointed by Mayor Alcaeus Hooper in 1896 introduced a system of careful inquiry as to applicants and their claims and resources, and also a method of supervision of patients in hospitals. This resulted in a material reduction of the winter population of the almshouse, in the elimination of applicants who were not entitled to aid in the hospitals and in better care for the sick.

In 1897 a resolution was passed by the Mayor and City Council of Baltimore providing for the appointment of a commission of five by the Mayor "to devise a plan whereby the city could care

directly for its indigent poor, waifs and orphans'' and ''to devise and report a method of appropriation to dispensaries and hospitals where the city committed persons for attention.'' This commission submitted a report in which it recommended that all appropriations for the care of the poor should be made directly to the trustees of the poor to be expended by them according to law. Also that the city should not pay for the maintenance of any adult poor outside the almshouse except the sick, insane and a few other special classes requiring special treatment. It recommended as to hospitals that a limited number of the best hospitals should be employed and that they should be selected partly with reference to location so that they would be situated in different parts of the city ; and also that a supervision should be kept over the hospitals and that no one should be admitted except on the certificate of an agent of the trustees of the poor. It recommended as to children that the city should pay only for such children as are committed to the trustees of the poor and accepted by them as city charges ; that all such children should be placed by the trustees in some institution or family and that they should be visited regularly every six months.

In the new charter of Baltimore enacted by the legislature of 1898, most of the recommendations of the commission were adopted. The charter provides for a board of nine ''Supervisors of City Charities.'' The supervisors hold office for six years each, three retiring every two years. The president is designated by the Mayor. They are ''appointed by the Mayor from among those whom he deems, by reason of their intelligence, experience and character, to be most capable of caring for the poor economically, intelligently and humanely. In the selection of the supervisors and in their action ecclesiastical or party ties shall not be regarded, so that the care of the poor may be entirely out of the field of political or religious controversies.'' The supervisors serve without pay.

The charter introduced the principle that all appropriations for the indigent poor in private institutions shall be by contract, payment to be made per capita for care rendered. In no case may a gross sum be appropriated to any private institution. It



is forbidden to pay public money for the care of any person until the supervisors "have determined and certified in writing that such person is a proper subject of municipal aid."

The charter also provides that no money shall be appropriated or spent for the care of adults outside of institutions owned by the State except for the sick, insane and other special classes requiring special treatment or homeless persons requiring temporary care.

The supervisors are also given supervision over all children who are accepted by them as proper charges on the city. They are given power to remove the children from one institution to another and to place children out in free homes. Children cannot be discharged from institutions without the approval of the supervisors unless by the direction of a court. The supervisors are required to have the children who are placed in families visited at least once in every six months by one of the supervisors or a skilled agent employed for the purpose.

The result of the adoption of these suggestions is interesting. In the first place, instead of a steadily increasing list of institutions for which money is appropriated by the city, all money is now appropriated directly to the representatives of the City to be spent by them in their discretion. In 1885 there was appropriated for the care of children \$10,600, distributed among 5 institutions. In 1890 there was appropriated for the same purpose \$23,000, distributed among 9 institutions. In 1895 the appropriation had risen to \$37,100 and the number of institutions to 11. The next year another institution was added to the list and the total appropriation reduced to \$34,300. No supervision was exercised over institutions or inmates. There was not even any accounting. For the year 1900, \$34,770 was appropriated to the supervisors of city charities. \$34,138 of this sum was paid out on a per capita basis to 12 institutions. In 1905 \$35,000 was appropriated and only \$28,881 expended. The number of institutions used by the city was 10. December 31, 1901, the City had under its care and supervision 478 children, 32 of whom were in private families costing the City nothing for their maintenance. At the end of 1905 it had under its care 578

children of whom 174 were in private homes and 45 in institutions at no charge to the City. During 1905, 264 children were referred to the care of private charity or to parents and relatives. Most of these children would have become charges on the city under the old system. In 1905, 127 children were accepted as city charges.

The story of the hospital is a similar one. In 1885 the City appropriated \$13,500 to 2 hospitals for which it had the use of 80 beds. In 1890 the City appropriated \$32,450 to 6 hospitals for 250 beds. In 1895 it appropriated \$59,995 to 8 hospitals for 355 beds. In 1905 \$64,000 was appropriated to the supervisors. Of this \$60,345 was expended for indoor patients and \$1796 for emergency cases, leaving unexpended \$1859. Six general and 2 special hospitals were used by the City. The case of every applicant was carefully investigated, both as to his financial resources and as to his condition, but no sick persons entitled to be treated at the expense of the City were neglected or rejected.

The supervisors have charge also of the indigent insane. About 400 insane patients are in the city hospital at Bay View, 750 in the 2 state hospitals and 250 in Mount Hope. The City pays at the rate of \$150 a year for each patient kept in these hospitals.

All applications for transportation to other localities are investigated by the supervisors. In 1905 there were 437 applications. In 136 cases transportation was furnished; in 126 it was refused; in 48 investigation was declined by the applicant; the rest were provided for by relatives and other agencies.

The supervisors also contract with the Friendly Inn for the care of homeless men at a cost of \$1000 a year.

The supervisors have under them a paid force of trained workers consisting of a secretary, a visitor-in-chief and three visitors for children, 2 hospital inspectors and a stenographer beside the force at Bay View Asylum. The result of the work of this force in careful investigation of the claims and needs of applicants has been a large saving to the City. The expense of

the city offices in 1905 was \$7900. Through the work of its force \$12,000 was received from relatives and friends of insane patients as part reimbursement for cost of care. 264 children who might otherwise have become charges on the city were kept with parents or relatives or put in charge of private charities. Beside these a large number of applicants for help in the hospitals and in Bay View, for whom there were more natural sources of relief, were kept from becoming charges on the city. It is a reasonable estimate that the work of this office force has saved the city \$30,000 to \$40,000 a year at least.

A comparison of the appropriations for 1905 with those for 1900 shows the benefits of supervision in limiting appropriations. In 1900 the appropriation for hospital patients was \$60,000, for children \$35,000. In 1905 the corresponding appropriations were \$64,000 and \$35,000 respectively. Undoubtedly, both these appropriations would have grown steadily but for the exercise of careful supervision. The amount of the appropriation for children has also been kept down by placing out children in private homes without cost to the City. The total amount expended by the supervisors was \$385,357. Of this \$128,400 was for the almshouse and \$148,000 for the care of the insane.

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## THE RELATION OF RAILROAD RATES TO CAPITALIZATION

By LOGAN G. MCPHERSON.

When any new business enterprise is considered the first calculation of the projectors is as to what markets they can enter, what price they can obtain, and what quantity of product they can probably sell. From the probable revenue they calculate backward, estimating the probable cost of maintaining the plant and of manufacturing, and what residue will be necessary to provide for a return on the capital required for the construction of that plant. The same process applies to the adjustment of railroad freight rates. Into the cost of a product at place of

market enters not only the cost of raw material and of manufacture, but the transportation charge from place of manufacture to place of market. The rates of the railroad therefore have to be so adjusted that commodities may find a market. The producers and the railroads must at all times work together in the adjustment of prices and rates to the needs of the market. The present adjustment of freight rates has been evolved along these lines with the result that practically all products, from every place of production, are in competition in all markets of the United States.

To say that rates have been made absolutely regardless of the capitalization of a railroad may sound preposterous, but it is very nearly, if not quite, true. If a railroad could fix its rates in accordance with capitalization, would any railroad ever go into bankruptcy? In 1894 a third of the railroad mileage of the United States was in bankruptcy. If it be argued that the capital was so inflated that they could not earn return upon it, the argument admits that rates cannot be forced up because capitalization has been forced up. Anyone who has scrutinized the published returns of the railroads for the past several months has perceived that while their gross earnings, as a rule, have steadily advanced, the net revenue, that from which interest and dividends have to be paid, is decreasing on many roads in many parts of the country.

As to the relation that the revenue of the railroads of the United States bears to their capitalization, interesting information can be obtained from the reports of the Interstate Commerce Commission. The latest report, that covering the year 1905, shows the total earnings of the railroads to have been for that year \$2,134,208,156. The expenses for operating, rentals, interest on current obligations, and the taxes were \$1,466,140,749, or 69 % of the earnings. Leaving out of account any return on capital, any adjustment because of depreciation of the railroads or their equipment, or any provision for a surplus for use in time of need, the revenue could not have been reduced more than 31 % if the railroads were to be allowed no more than their bare running expenses.



According to the same report the capitalization of the railroads of the United States for the year 1905 was as follows :

Bonds,	-	-	-	-	\$5,456,349,002
Other funded indebtedness,	-				1,226,252,047
Stock,	-	-	-	-	4,484,504,943
					<hr/>
Total,	-	-	-	-	\$11,167,105,992

From these figures are excluded the stocks and securities in so far as ascertained of one railroad held by another railroad. Such stocks and securities of the issuing company are covered by issues of the proprietary companies. In so far as the capital account of the railroads of the United States as a whole is concerned, it would be a duplication to include them in both cases.

The report gives the mileage for which operations are reported, for 1905, as 216,974. The average capitalization per mile is therefore \$51,467. The considerably higher average capitalization usually given is obtained by including the shares and securities of one railroad owned by another railroad. That there is inflation in the capitalization of certain particular railroads of this country, nobody will deny. The fact that this inflation is included in the calculation from which the average of \$51,467 is obtained is evidence that the average capitalization of the conservatively administered railroads, which are by far the greater proportion of the railroads of the country, is moderate.

Five per cent. cannot be considered an extravagant return upon investments. If the entire capitalization for 1905, \$11,167,105,992, had obtained a return of 5 %, that return would have amounted to \$558,355,299. This amount deducted from the 31 % of the earnings left after the payment of current expenses, that is, this amount deducted from \$668,067,407 would leave \$109,712,108. This, it will be perceived, is less than one per cent. of the total capitalization ; that is, had the entire capitalization obtained a 5 % return there would have remained less than 1 % for betterments and improvements, for depreciation, and for the surplus. The truth is, as shown by the report of the Interstate Commerce Commission, that even for the

prosperous year, 1905, only 62.84 % of the total railway stock paid any dividends at all. The average rate of the dividends that were paid being less than 6 %, and of the funded debt, 78 % paid less than 6 %.

It has time and again been pointed out that it is a fallacy to suppose that the adjustment of rates has anything whatever to do with capitalization. Traffic officers have repeatedly stated under oath that in the fixing of rates the capitalization of their respective roads has never been a factor in the consideration. In any event, how is a "correct" valuation of the property of a railroad to be arrived at as a basis for rate making? Are rails and locomotives purchased at the low prices of ten years ago to be appraised on the basis of those prices or upon the vastly higher prices of to-day? Are railroad valuations to go up and down as prices go up and down and rates to rise and fall in the same ratio?

The rate is but one factor that enters into the amount of revenue. The volume of traffic is the other. Could a Government Commission that adjusts rates according to capitalization also adjust them to commercial needs? How could the rates on each of the numerous commodities of commerce that are now so adjusted that each commodity finds a market be adjusted to this end on any other basis? Any other adjustment would mean that the marketing of commodities—that function which is the essence of commerce, of benefit alike to the producer and the consumer—either would not be considered at all, or that it would not be a primary consideration.

The laws of this country at this time insist that there shall be no combination in restraint of trade. Without at this time touching upon the anomalies in these laws it is proper to ask, what effect the adjustment of rates according to the valuation of a railroad property would have upon the competition between the railroads. Between the commercial centers A and B are two railroads, No. 1 and No. 2, each having towns of more or less importance along its line, but each depending in large measure upon the share which it obtains of the through traffic between A and B. One railroad has been built along level country and

therefore has cost less than the other, which has been constructed over mountains and across chasms. Are the rates on railroad No. 1 to be lower than those on railroad No. 2? If so, all of the through traffic will go over the first railroad and the second will be obliged to derive its entire revenue from the local traffic upon which it will be obliged to impose still higher rates.

Suppose that railroad No. 1 be not of the most advanced type, either in construction, equipment, or methods of operation, while railroad No. 2, under efficient administration, has spent enormous sums in the improvement of its track and structures, for the provision of expensive and efficient equipment, and in developing its methods to the highest standard. In this case, while the valuation of railroad No. 1 would be far less than that of railroad No. 2, the second railroad would be able because of its efficiency and developed methods, to haul traffic at less expense per ton or per train load. Are the rates of No. 1 to be made lower than those of No. 2 in proportion to the valuation? If so, a premium will be placed upon the unfortunate and the backward, the incentive toward development and improvement will be stifled. The earnings of railroad No. 2 would not only be diminished, but the industries along its lines, by having to bear a greater proportion of the expense for the operation, and the maintenance of the railroad would be handicapped in competition with the industries on railroad No. 1.

These are no supposititious cases. They find conspicuous illustration in the entire trunk line situation between Chicago and New York, in the situation between Chicago and New Orleans, and in greater or less degree in the situation between any two or more important commercial centers of the United States.

In what field of industry at this time is the price of the product determined by the capital or the capitalization of the producing plant? Products have to be disposed of for what they will bring in the market. If the total revenue is below the cost of operating and maintaining the plant, it will go into bankruptcy. Above that point its success depends largely upon the skill with which its products are made and the ability with which they are

marketed. The success of a railroad largely depends upon the success with which its rates and its facilities are adjusted to the needs of the market. When a manufacturing plant is driven into bankruptcy it may be dismantled, but a railroad has to run and to be run as a railroad. If by adjusting rates according to valuation one of two competing railroads is forced into bankruptcy, it means a receivership. What adjustment of rates will be allowed to it then? Will it in turn be allowed to force its competitor into bankruptcy? If rates are made in accordance with valuation, what will be the effect upon the railroad which, because of poor location, lack of hoped-for development, unforeseen change in the currents of traffic, or other reason, has struggled along for a generation without paying any dividends whatever, only being able under the play of economic forces to keep in operation?

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## BENEFICIARY FEATURES OF THE IRON MOLDERS' UNION OF NORTH AMERICA.

BY J. B. KENNEDY.

The Iron Molders' Union was the second American trade union to adopt a national system of benefits. The history of benefits in the Iron Molders' Union may be briefly summarized: The Iron Molders' Beneficial Association of North America, founded July, 1870, was dissolved in July, 1882; a superannuation fund, established in July, 1874, was abolished on January 1, 1879; a "sinking fund," created in July, 1878 for the payment of death, and, after July 1882, of disability benefits, was changed in 1886 to a beneficiary fund; in 1896, a national sick benefit system was inaugurated; in 1897, an out-of-work relief plan was put into operation; and finally, in 1899 the amount of the death and disability benefit was graded according to the length of membership.

The wisdom of associating a beneficiary feature with the protective function was for many years a subject of grave consideration on the part of the National Union. The primary aim of the



leaders of the union has been to develop a strong protective organization. Early in the history of the union, however, the national officials recognized that a system of benefits would eventually play a prominent part in strengthening the union. President Sylvis, as early as January, 1866, expressed the opinion that the time was ripe for the adoption of a beneficiary plan. In December of the same year the editor of the *Iron Molders' Journal* expressed the same view in more decided terms: "We for a long time gave the cold shoulder to the idea of making the International Union benevolent, not because we were opposed to the principle, but because we doubted the practicability of such a measure at that time." At the same time, he warned the organization against endangering the protective side by adding beneficiary features, and as a matter of fact, the national union has arrived at a well rounded beneficiary system only by a series of experimental steps.

The first of these experiments was the "Iron Molders' Beneficial Association of North America." This association, inaugurated on October 1, 1870, provided death and disability benefits for any journeyman molder in good standing in any local union under the jurisdiction of the National Union. It was a voluntary association, operated on the assessment plan, under which each member contributed fifty cents on the death of a member, forty cents of which was paid to the decedent's heirs and ten cents for the general expenses of the Association. After twelve years of unsatisfactory administration the Association dissolved in July, 1882. The cause of its failure was a general lack of interest leading to too frequent assessments. The compulsory feature, the fundamental principle of every successful benefit system, was absent.

A second phase in the development of the benevolent idea began with the creation, in July, 1878, of a "sinking fund" from which a \$100 death benefit, and after July, 1882, the same amount in case of permanent disability, was paid. Participation in this benefit was required of all members of the organization. In July, 1886, this "sinking fund" was changed to a benefit

fund and thus the present death and disability benefit assumed a definite and permanent form.

The experimental stage may be regarded as passed in 1886. Since that time, the union has for twenty years been slowly elaborating its beneficiary system.

The system of benefits in the Iron Molders as it stands in the year 1906 is divided into three parts: The payment of a definite amount in case of death or permanent disability of a member in good standing, a weekly sick benefit for a definite number of weeks during any one year, and relief during unemployment for a limited period.

The union provides that upon the death or total disability of a member—total disability consisting of total blindness, paralysis, the loss of an arm or leg, or both—a definite sum, the amount depending upon the period of continuous good standing, shall be paid to the designated beneficiary. The benefit for a member in continuous good standing from one to five years is \$100 ; from five to ten years, \$150 ; for fifteen years and over, \$200.

Members sick or disabled in such a manner as to prevent them from attending their usual trade are paid \$5.25 per week after the first week's sickness or disability, provided the member has been a contributing member for not less than six consecutive months and does not owe more than twelve weeks' dues. The sickness or disability must not be the result of intemperance, debauchery, or other immoral conduct. The aggregate amount which a member may draw as sick benefit in any one year is \$68.25 ; that is, the benefit for thirteen weeks.

The out-of-work relief is not in the nature of a cash payment, but is an exemption from payment of weekly dues for a period of not more than thirteen weeks in any one year. The total aggregate in exemption dues for any one year, therefore, may be not more than \$3.25.

The administration of these benefits rests partly upon the national union, partly upon the subordinate unions. The line of division in administration is determined by the character of the benefit. In the case of sick benefits and out-of-work relief there is need of weekly adjustment,—reports of sickness and unem-

ployment, examination of applications for aid, and payment of weekly allowances or issue of weekly stamps. These details require constant supervision, and satisfactory results can best be secured by employing the local union as the agent of the National Union. Consequently the National Union has reserved to itself exclusive control in settling death and disability claims. The funds for the payment of death and disability claims are held by the national treasurer, and are subject to the order of the national secretary countersigned by the national president. On the approval of a claim, the national secretary forwards the amount direct to the claimant. The funds for the payment of sick benefit and for reimbursing the national treasury for out-of-work stamps issued to the subordinate unions are held by the treasurers of the local unions.

To be eligible to the weekly allowance for sickness the members must notify the financial secretary of his union within one week from the beginning of sickness, otherwise benefits begin only from the date the union receives official notice. The financial secretary must in all cases vouch for the member's standing on the books of the union, while the visiting committee are required by weekly visits to report once a week the condition of the member in question. In addition, the local unions are privileged to require a physician's certificate as to the date, nature, and cause of the sickness. On his authority a warrant is drawn on the treasury for the regular weekly allowance. Where weekly meetings are not held, the trustees have authority, on recommendation of the entire sick committee, to draw on the treasurer for two weeks' benefits.

The local union also administers the out-of-work relief. Here, as in case of sick benefits, the national organization specifies the conditions under which relief may be granted to the unemployed. The member must report in person the date of the beginning of his idleness at the first regular meeting of his union after the idleness began. Thereafter the member must report in person to the financial secretary at every meeting of the union, and for every week of idleness after the first two weeks the financial secretary must insert an out-of-work stamp in the member's receipt book.

In order to provide revenue for the several benefits, the national union allocates a certain per cent of the weekly dues into separate funds for each benefit. Of the twenty-five cent dues, the local unions forward ten cents per member per week to the national treasurer. Sixteen per cent of this amount, or one and six-tenths cents per member, is placed in the death and disability fund for the payment of death and disability claims. The local unions retain eight cents per member per week as a fund for the payment of sick and out-of-work benefits. Of this amount,  $12\frac{1}{2}\%$ , or one cent per member per week is used for out-of-work relief and seven cents for sickness. The financier of the national union keeps a record of all members receiving out-of-work stamps and for each stamp allowed the member, receives a credit of eighteen cents. To reimburse the national treasury for this credit, each local union, upon the order of the national financier, must forward, quarterly, to the national secretary, twelve and one-half per cent of the sick benefit fund. For each consignment of stamps to a local union the national secretary draws from the out-of-work fund a sum equivalent to the value of these stamps at the rate of eighteen cents each. This sum is apportioned at the rate of ten cents per stamp to the monthly fund of the national union and eight cents per stamp to the sick relief fund.

From 1895 to 1905, inclusive, it cost the National Union yearly an average of fifty-one cents per member to meet death and disability claims and \$2.18 per member to pay sick claims. From 1898-1905, inclusive, the Union spent nine cents per member per year to maintain out-of-work relief. Seventy-three per cent. of all dues apportioned for benefit purposes goes to the sick fund, while twenty-seven per cent. is divided between death and disability and out-of-work.

The advantages accruing to the Union from the system of benefits are of two kinds: in the first place, the benefits to the men from the pecuniary assistance, and secondly, the aid furnished the Union in the discharge of its protective functions. Up to June 30, 1905, the National Union had paid \$437,607.83 in death and disability benefits, and with the close of the year



June 30, 1906, \$1,254,286.50 had been paid in sick benefits and an equivalent of \$58,242.50 in out-of-work stamps in exemption from dues. The receipt of these amounts has aided materially in maintaining the union men upon a higher economic basis. In this development, the Union as a whole has been benefited. The iron molding interest has been concentrated, centralized government has been furthered and the powers of the Union as a factor in collective bargaining have been strengthened.

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### TRADE UNIONISM IN BALTIMORE BEFORE THE WAR OF 1812.

BY T. W. GLOCKER.

During colonial times and during the decade immediately following the Revolution, conditions in the United States were unfavorable to the growth of trade unions. Manufactured commodities were largely imported from Europe ; and articles produced in America were usually made on the plantation or in the home. Three industries, however, namely the making of hats, the manufacture of boots and shoes, and the building of ships had attained some proportions even in colonial times ; and, in all three, the distinction between employers and the class of permanent employees or wage-earners was beginning to be sharply drawn. Moreover, in the large cities, the same differentiation was also taking place in such distinctively urban industries as house-building or printing. In each of the large cities of the American seaboard, we find, therefore, towards the close of the eighteenth and the beginning of the nineteenth centuries, the journeymen, engaged in these various industries, organizing themselves into associations for the purpose of bargaining collectively with their employers.

The history of trade unionism in Baltimore during the period from 1800 to 1812 is illustrative, in many respects, of the simultaneous movement in the other large Atlantic seaports, Boston,

New York, and Philadelphia. The various industries mentioned above, were, at that time, being actively carried on in this city. Printing and house-building, here as in other large towns, gave employment to many workers. The making of hats was a flourishing industry. The fast sailing clippers built in Baltimore during this period are mentioned in every industrial history. There were also a number of boot and shoe manufacturers who claimed "to sell, at lower prices, shoes of equal or better quality than those imported from the New England States." These boots and shoes were, moreover, made not only for the local market, but also for export into the Western Country or to the West Indies. Prior, therefore, to the war of 1812, Baltimore journeymen employed in these various industries were forming trade societies. Since, however, our information concerning these early associations is chiefly gleaned from vague and casual references in contemporary newspapers, it is sometimes difficult to determine their exact nature. It is possible, for example, that a few of these early trade societies existed not for industrial but for benevolent purposes, giving financial aid to sick members, and, upon the death of members, helping the widow.

The boot and shoe makers were organized certainly some years prior to 1809 under the title "Journemen Cordwainers' Society of Baltimore." They numbered at that time more than two hundred and seventy members, and were apparently as aggressive in the maintenance of their industrial rights as the sister societies of the craft which existed about this time in New York and Philadelphia. In 1809, the "republican" or "democratic" party, which, in Baltimore, was composed largely of the working classes, decided to celebrate the Fourth of July by a huge industrial parade. In this procession, the cordwainers took part, wearing white aprons on which were painted the cordwainers' arms—three goat heads—and bearing aloft banners on which were represented their patron saints, Crispin and Crispiana, the first holding a boot and the second a shoe.<sup>1</sup>

<sup>1</sup> It is interesting to note in this connection that the name of St. Crispin figures in the title of the first national organization of boot and shoe workers, formed in this country in 1869. It was known as the Grand Lodge of the Knights of St. Crispin.

In the same year, certain members of the cordwainers' society of Baltimore were, like their fellow craftsmen in Philadelphia and New York, brought to trial for criminally conspiring to compel their employers to discharge journeymen not members of the society. One of the cordwainers indicted was found guilty by the jury on the matter of fact. The judge, to whom was left the question of law, apparently took the case "under advisement," as was frequently done in common law cases when the offense was not considered serious, and, so far as the records show, never imposed a sentence. The counsel for the prosecution stated the other indictments, that is, withdrew the charge with the right to renew it should the parties repeat the offense, or should other circumstances at any time justify.

The trial of the Baltimore cordwainers excited considerable comment in the local newspapers. By some, it was feared that the verdict would prove a death blow to every organized society. Indeed, it is barely possible that the difficulty of carrying out strikes or other strategic industrial measures without conflict with the common law principle of criminal conspiracy may have been one of the causes which, from this time forth, induced trade societies in various parts of the country to abandon their industrial aims, or, at least, to conceal them under benevolent activities. Since the mechanics belonged, for the most part, to the "republican" party, while the lawyers and professional classes were largely federalists, some "democratic" or "republican" papers of Baltimore also sought to make political capital out of the trial, using it to illustrate how the lawyers, imbued with English monarchical doctrines, were attempting, under the guise of precedent from the English common law, to deprive the people of their liberties.

A society of hatters also existed in Baltimore at this time; and the hatters, to the number of one hundred and twenty, took part in the Fourth-of-July parade of 1809. Two of the motto-banners borne by the hatters in this procession, reflect the dual activities of their society. The one read: "With the industry of the beaver, we support our rights." The other declared: "We assist each other in time of need."

Concerning unions in the ship-building trades, nothing definite can be said. There was a Rope Makers' Association, and also, it would seem, unions of ship-carpenters and ship-joiners. But what were their purposes or general character, it is impossible, with our present information, to say.

Organizations also existed among the Baltimore building and printing trades prior to the war of 1812. The society of printers, known as the Baltimore Typographical Society, was in existence some years before the outbreak of that war. In the procession of 1809, the printers marched together with the bookbinders, the paper-makers, and the letter-founders. All wore on their hats the motto, "By union, we prosper"; and this motto, declares a contemporary account of the parade, had reference to the associations of paper-makers, letter-founders, printers, and bookbinders. It is possible, therefore, that, not only the printers, but also the paper-makers, the letter-founders, and bookbinders were organized at this time.

Similarly, we find an organization of the carpenters of the city and precincts of Baltimore as early as 1800. Associations also existed among the journeymen plasterers and among the journeymen painters and colormen. But whether they were designed to secure better conditions of employment for the members, it is difficult to say with certainty. The Journeymen Bricklayers' Beneficial Society of Baltimore was formed some time prior to 1809, and, as far as its title indicates, would appear to have been a purely fraternal and benevolent association.

On the other hand, the master bricklayers and masons were not wholly inactive, but were coöperating for the promotion of their own peculiar interests. In a Baltimore newspaper of the period, a notice to master bricklayers and masons was issued by a "committee, apointed at a general meeting of the *undertakers* in the above branch of the business to regulate and prepare a book of rates and prices." The committee stated that the duty assigned to them had been performed; and they now called a general meeting of all builders, either in brick or stone, to act upon their report. In the light of present-day popular con-



demnation of agreements between manufacturers or railway magnates to fix rates and prices, one statement of the committee is interesting. "It is presumed," declares the committee, "that no undertaker can feel himself hurt in point of respectability by meeting with his fellow workmen in order to accomplish an object so much wanted."

Other associations existing at this time were the Tailors' Society of Baltimore and the Society of Coachmakers. The latter organization included in its membership such branches of the trade as the coach-trimmers, harness-makers, saddlers, lace-weavers, and platers.

One conclusion, may, perhaps, be drawn from even this cursory and limited study of early trade union conditions. It is that trade unionism in this country during the period from about the beginning of the century to the war of 1812 had probably attained greater proportions than is generally supposed. Following the war, there came a decline in the labor movement, whether due to industrial reaction simultaneous with the removal of restrictions from the importation of foreign commodities, or to other causes. But some of these early unions in Baltimore and other cities undoubtedly struggled along, until, with the wonderful industrial growth and prosperity in the decade from 1830 to 1840, American trade unionism awoke to new life.

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### THE CIGARMAKERS' "BLUE LABEL."

BY E. R. SPEDDEN.

The Cigarmakers' International Union was the first organization of workmen to introduce the device of a trade-union label. But before the "Blue Label" of the national organization appeared labels were issued by local unions of cigarmakers in San Francisco and St. Louis.

Under the Burlingame Treaty of July 28, 1868, great numbers of Chinese came to this country. There were in 1878 over 4,000

Chinese engaged in the manufacture of cigars on the Pacific Coast and of this number only 150 were outside of San Francisco. In the same year there were only 500 white cigarmakers in San Francisco. In 1881 there were only 179 white workers as against 8,500 Chinese engaged in making cigars in San Francisco.

The effect of this coolie labor upon the industry was marked, inasmuch as the wage earned by them was never more than seventy cents a day and often as low as thirty cents. In 1874 a local of San Francisco adopted a "White Label" as a means by which to fight the product of the Chinese. In 1876 ten cigarmakers started an independent organization known as the Cigarmakers' Association of the Pacific Coast. They were joined by fifty manufacturers who employed only white labor, and these manufacturers and the ten cigarmakers initiated a plan of label agitation.

The workmen were forced to this fight for their own protection against the coolies, and the manufacturers were compelled to compete against those firms which employed "yellow labor," and were being constantly underbidden by such firms. The effect of coolie labor may be realized from the fact that in November, 1881, the Chinese cigarmakers were putting upon the market from sixteen to twenty million cigars each month.

The local of San Francisco which had first used the "White Label" was a union body and the Cigarmakers' Protective Association of the Pacific Coast was a non-union body, protection against the Chinese served as an influence to bring these forces together for the attainment of a common end. The "White Label" was supported with great enthusiasm by the sentiment of the Pacific Coast as a bulwark against the competition of Asiatic upon American standards of life.

August 17, 1879, Union 144 of St. Louis adopted a "Red Label" in order to fight a reduction of wages in that city. The cigarmakers aroused the workmen in other crafts to boycott all cigars not bearing this label. The St. Louis cigarmakers were so successful that many counterfeits came upon the market.

The use of the label as a device of trade-unionism had by 1880 proved so successful that at the Chicago 'convention held in

September of that year, Representative Frederick Blend of Local 54, of Evansville, Indiana, introduced a resolution for "issuing trade-marks or labels suitable to be placed on the box in a conspicuous place." The resolution was carried and became a part of the constitution of the International Union.

The cigarmakers were energetic in this policy, and from 1881 to 1889 label agitation was the principal activity of the Union. The adoption of the "eight-hour" work-day in 1886 and the "out of work" benefit in 1889 was partly due to the militant spirit aroused by the campaign for the demand for the union label. The "Blue Label" was used against prison labor with great success for a while. Attempts were made to have the United States revenue stamps withheld from prison goods, but failing in this, the "Blue Label" became the sign of "free workmen" in the cigar trade.

The non-union cigar manufacturers of Chicago on May 15, 1895, determined to adopt a label for their goods and called it the "Old Glory Label." This label never came into general use and was soon abandoned because the "Old Glory Label" made the boycott declared against this class of goods the more effective.

In 1897 President Strasser proposed to allow the stogie makers to use a "Purple Label" under certain conditions. This label might be employed upon application of 80% of the paying members of any local. The label for the stogie makers was never in use because the cigarmakers did not own it and therefore could not protect it from being counterfeited. For this reason the proposal of the International President, when submitted to vote in August, 1897, was defeated by a vote of 2,232 for and 4,826 against. The "Blue Label" has come at times into bitter conflict with the seal of the Knights of Labor and the emblem of the Western Labor Union.

Since 1880 the membership of the cigarmakers has increased until in 1906 it numbered 47,000 members. When the label was adopted there were but 2,729 organized cigarmakers in this country and in 1896, 28,000. This increase in membership has undoubtedly resulted in large measure from the increased demand for the union label.

The label boom of 1886 was due less to the efforts of the cigar-makers, than to the great enthusiasm for the labor movement prevalent at that time. "The enthusiasm displayed by the new recruits to the labor army in demanding union made goods almost staggered the jobbers and dealers in cheap goods" declared Mr. Gompers in his report to the convention of the American Federation of Labor of 1906. From 1885 to 1887 there were used on boxes of one hundred cigars 2,651,500 labels and on boxes of fifty cigars, 28,190,700 labels; an increase of 20,509,200 labels during the years 1883-1885. Throughout the depression of 1896 the cigarmakers used about 15,000,000 labels annually, and since 1896, 18,308,680 labels have been used on the average each year.

The cigar industry of Pennsylvania, largely non-union, has worked much harm to the sale of the International Union's product. In that State in 1906 there were 30,000 cigarmakers, of whom but 6,000 were union men. The rate of wages has been extremely low and the trade loosely organized. Many irregularities have been discovered as regards the use and issue of the Blue Label, and many cigars come from this state bear a bogus label or none at all. In the South the agricultural classes are becoming more interested in the union label, and the sale of non-union cigars has diminished. The Label Leagues of Ohio, Wisconsin, New York, Nebraska, Connecticut and Massachusetts have done much to create a demand for the "Blue Label" and to bring before the consuming public this artifice of American trade-unionism.

The Blue Label stands opposed to "inferior, rat-shop, prison, coolie and tenement-house work." It has achieved a fair measure of success, but only after bitter opposition without and many dissensions within the ranks of trade-unionists.

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## THE MINIMUM WAGE IN BALTIMORE TRADE UNIONS.

By D. A. McCABE.

The maintenance of a minimum rate of wages for all its members is one of the chief objects of the trade-union. If all the members were equally valuable to the employer the determination of a rate to be insisted upon as a minimum for all would not be difficult. Even where the workers vary in productive capacity, the maintenance of one minimum commends itself as the obvious union policy, if there be no difference in the character of the tasks performed. The union would find it very difficult to grade men according to variations in degree of skill unless those variations appeared in the performance of special kinds of work. Where, however, such special branches of a trade are followed by members of the union, the latter has to face the alternative of so adjusting its scale that it supports directly the wage received in each branch, or of contenting itself with the maintenance of a flat minimum, which leaves the followers of the more highly skilled branches to bargain for themselves. The objections to abandoning to individual bargaining the determination of the wage level of any important group of members have led, in many cases, to the establishment of a graduated wage scale.

Unions which adopt a piece scale are able to secure for the members rates of wages in proportion to their individual capacity, whether the character of the work to be done be uniform or varying. The Glass Bottle Blowers' Association establishes by joint national agreement with the employers' associations a highly complicated scale covering all classes of work. The wage of the stove molders in the Iron Molders' Union is similarly determined. The Cigarmakers also enforce a piece scale, but not by national agreement. Other unions have both a piece and a day scale. The Wood Lathers work according to a piece scale where the character of the building permits, and by the hour where it does not. The Paperhangers have both a piece and a day scale, but the policy of the union is to enforce the piece scale throughout as

soon as possible. The opposite policy is seen in the machinery-molding branch of the iron molding trade, where the union is trying to secure a day scale for those still working on the piece system. The Typographical is another union which, though in favor of the daily wage system, still retains along with the day scale a piece scale for a few compositors in book and job offices.

One of the simplest types of a differentiated minimum time scale is that maintained by the Horseshoers. This union provides one scale for the floor-men and a higher one for the men working at the fire. The Pressfeeders have a minimum for feeders to two-color cylinder presses higher than that for the other feeders. This union at present also maintains a separate scale for job pressmen who are members, but the latter will probably soon be absorbed by the Pressmen's Union. The day scale of the Typographical Union presents a greater variety. In book and job offices there are separate minimum rates for machine operators, machine tenders, foremen, and for "compositors, proof-readers, makers-up and other employees not classified." The scale varies in the newspaper offices from that for book and job offices, the machine operators getting the same wage for a shorter day, and the foremen, compositors, proof-readers, etc., having one minimum, and this higher than that in the book and job offices. Night work calls for a higher scale in all offices.

An interesting graduated scale is that of the Musicians. This union classifies very minutely theatres, concert halls, dances, receptions, picnics, excursions etc., and sets different rates varying with the quality of the music to be furnished and the number of hours it is required. Every man, except the leader, playing on the same occasion receives the same rate. The Boiler Makers also maintain an ascending scale of rates. A different minimum is prescribed for each of the four following groups: (1) riveters; (2) flue setters, chippers and caulkers, and boiler makers proper; (3) layers-out, anglesmiths, fitters-up and fitters and finishers; and (4) tank, pontoon and gasometer makers, frame turners, and flange turners. The Boiler Makers have also three distinct rates for workers who assist in a subsidiary capacity but are members of the Union, namely, the

helpers, holders-on, and rivet heaters. The practice of maintaining a minimum rate for helpers is followed also by the Structural Iron Workers and the Cement Finishers.

The effect upon the wage scale of organizing all the workers in a plant under the same national union, following out the idea of the "industrial" union, is seen in the case of the United Brewery Workmen. The brewery employees are organized into four locals, the Brewers, Bottlers, Drivers and Stablemen, and Engineers and Firemen, each of which has more than one minimum rate. The Brewers have two, the Engineers and Firemen three, and the Bottlers and the Drivers and Stablemen four each.

The adoption of a minimum rate or rates does not exhaust the activities of a trade-union in regard to the wage scale. It must see to it that the scale is not infringed. Where the union settles its scale by joint agreement the payment of the scale is guaranteed by the employers, but where it is not secured by collective bargaining the union itself must prevent its members from working below the rate. If the union is able to enforce the closed shop, it can protect the wage rate by shop rules; otherwise it must rely on the adherence of its members to rules prohibiting "rushing," cutting wages, performing a more highly paid class of work without receiving the wage set for it, etc. The qualifications for membership established by the union also have an important relation to its minimum scale.

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### THE MOLDING MACHINE.

By EDWIN T. CHEETHAM.

About 1880 a device for facilitating the work of ramming flasks appeared on the market and was tried out by many founders who did the class of work for which it was designed—light, shallow castings. It was known as a "squeezer," was worked by a hand lever and was designed for bench molding. This

machine supplemented ramming the drag and cope by hand, an operation consuming more time and strength on the part of the molder than any other. The nature of the machine's operation required a plate pattern, which was lifted by hand. The other operations were similar to hand molding.

The introduction of this machine made little impression in molding circles ; its scope was limited to the class of castings produced by bench molders, and it was operated generally by men not out of their apprenticeship. Furthermore, it was only partially successful, and the scrap-pile attested the fact that the machine was not yet out of the experimental stage.

In its wake came the introduction of other types of molding machines, of more pretentious parts, notably the "Tabor" and "Pridmore," designed to supplement hand ramming and pattern drawing on floor work. Steam or pneumatic power was applied, and one machine and operator could do the work of three molders.

The molders ignored the machine. They refused to work on it. They made no effort, except in rare instances, to exclude it and did not attempt to regulate its introduction. They offered no obstacle to its operation by unskilled workmen. Could a machine think? Could a machine cut a gate, gagger a flask, chaplet a core? Thus the molders fortified their belief in the ultimate failure of the machine ; and this belief was further strengthened by the uncertain attainments of the machine as directed by unskilled hands.

Meanwhile the inventors and patrons of the machine strove to overcome its defects, stimulated by the passive hostility of the molders ; they strove to adapt it to the capacity of the untutored laborer. This led to two results, both totally unlooked for by the molders : it made the machine a competitor of the molder and created, out of cheap day laborers and roustabouts, a class of "near-molders." For, while the machine offered no workings too intricate for the capacity of the ordinary man, it afforded facile means of acquiring skill sufficient for the plainer kinds of work in hand molding.



The machine made headway, slowly to be sure ; and the molders looked on with alarm as it began to invade the more difficult fields of work. Therefore, in July, 1889, President Fox recommended that a committee be appointed to study the molding machine and the new conditions it had created and report to the coming convention. Accordingly a committee asked, at the Indianapolis convention in August, 1889, in the form of resolutions, that it be the future policy of the Iron Molders' Union of North America to seek to establish its jurisdiction over the molding machine and advised that its members be instructed "to accept jobs upon any molding machine when the opportunity is offered and to endeavor to bring out its best possibilities." This was a radical departure from the policy of the union, but it was recognized that the times and circumstances justified it and the findings of this committee were unanimously approved. This policy was reaffirmed at Toronto in July, 1902, in standing resolution No. 38 : "That it be accepted as the future policy of the I. M. U. of N. A. that we shall seek to establish our jurisdiction over the molding machine operator."

Several causes have operated to prevent the complete success of the new policy : (1) The molders must needs throw away much of the skill of their hard-learned trade and "strengthen their backs" when taking up machine work. (2) Molders were not in so much favor with employers as the laborers, the latter almost invariably working harder and turning out more work than skilled molders. (3) Many employers did not take kindly to the endeavor to establish jurisdiction over the machine on the part of those who had only recently been inimical to its success.

However, some progress was made. In an agreement between the Stanley G. Flagg Company and Iron Molders' Union No. 111, Philadelphia, Mr. Flagg agreed "to operate the Bryan Vacuum molding machine with molders, members of the union, under the day's work system, for a period of three weeks." At the end of that period if Mr. Flagg was not satisfied with the output, he was privileged to employ unskilled men ; meanwhile it was understood "that the molders while working on the

machine will endeavor to bring out its best possibilities." In the agreement between the General Electric Company and the Schenectady Union, ratified on May 1, 1903, the molders agreed to "coöperate with the foreman of the foundry in the introduction of any new or improved methods and render such assistance as may be in their power. The molders employed upon the large molding machine are to accept piece-work for such work." As the large power ramming machines were "not wholly perfected mechanically" the men operating them were not to be charged with any losses due to circumstances beyond their control. It was further agreed that "The committee from the Iron Molders' Union will undertake to supply the company with men known as 'Machine operators,' if necessary importing men. It is understood that this will not prevent the employment of so-called molders, if they agree to the conditions which prevail." In clause five of an agreement between the Twin City Foundrymen's Association and Unions 176 and 232, May 28, 1903, it was agreed that "Machine molding as at present carried on shall not be disturbed."

The proposition for a national agreement between the National Founders' Association and the Iron Molders' Union of N. A., submitted by the founders, in March, 1903, contained a provision that "The right of a foundryman to introduce molding machines or improved appliances of any kind in his foundry, shall not be questioned, and it is to be optional with the foundryman as to whom he shall employ thereon." The counter proposition of the molders contained no reference to the machine. At a meeting of these two bodies in Detroit, April 7, 1904, these propositions were considered, but no agreement was reached.

In clause six of an agreement between the Hudson River Foundry Company and Local Union No. 50, Poughkeepsie, N. Y., in January, 1904, it was agreed "that if molding machines shall be placed in the shop the molders shall use the same to its best advantage."

Other similar local agreements have been made, but as no conference of the National Founders' Association and the Iron

Molders' Union of N. A. were held in 1905 and 1906, nothing has been accomplished toward fixing by agreement, national in scope, the status of the molding machine.

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FREDERICK W. HILBERT.

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A special meeting of the Seminary was held on June 1, 1906 to commemorate the life and work of Frederick W. Hilbert, late fellow in Political Economy and senior member of the department, who died suddenly on February 17, 1906.

Professor Hollander presided and spoke briefly of Hilbert's personality and scientific promise. Professor Edward C. Armstrong, Dr. George E. Barnett, Dean Edward H. Griffin, and Mr. James M. Motley paid tribute to the several aspects of Hilbert's life. Letters were also read from Dr. William Kirk and Dr. A. M. Sakolski, former fellow students. Brief reports of the remarks of Professor Armstrong and Dr. Barnett are appended :

Professor Armstrong : "My acquaintance with Frederick W. Hilbert was formed during my senior year at college. A renewal of that acquaintance began in 1897 with the organization of a local alumni association of our college, and from that time on I had frequent opportunities to observe him closely in various surroundings. In the midst of them all, Hilbert himself did not change, except in a steady development of qualities manifest from the first. Of an orderly mind, quiet, faithful, and persistent, he early formed his life-plans. Having chosen teaching, he was determined to equip himself thoroughly for the best work in his profession. Obstacles constantly in the way did not in the least alter this determination. When about to enter the Johns Hopkins, he had the offer of a promising and lucrative position as head of a secondary school ; a position his previous experience made him eminently suited to assume. As he was past thirty



years of age, and hampered by financial obligations, some of his friends urged him to give up his university course and to enter the field already open to him, but he did not waver, preferring fewer years of fruition, and perhaps less remuneration, rather than to abandon the ideals he had formed. Modest and unpretentious, he nevertheless had a conviction that he could accomplish something in the work of his preference. The few short years that followed were amply long to vindicate the soundness of this confidence.

“Courteous, tender-hearted, and quietly genial, Hilbert’s friendship was prized by all who knew him. His most characteristic qualities were his modesty and his absolute sincerity.

“He has been called away suddenly as he was about to see the fruits of his years of unrelaxing preparation, and we have lost the contributions he would have made to knowledge; but there remains with us the inspiration that comes from a life in which opportunity was not neglected and obstacles were but an incentive to sturdy effort.”

Dr. Barnett: “The scientific work of Mr. Hilbert had centered in his trade union studies and his published writings are a direct outgrowth of his dissertation work. A chronological list of these writings will best serve to indicate the direction which his investigation had taken and the point at which most unfortunately his inquiry was terminated:—

“(1) ‘Trade Agreements in Baltimore,’ an abstract of a Seminary paper, was published in the *Johns Hopkins University Circular*, for April, 1903; (2) ‘Employers Associations,’ an abstract published in the *Circular*, for May, 1904; (3) ‘Adjustment of Wages in the Foundry Trade,’ an abstract published in the *Circular*, for June, 1905; (4) A notable review of Gilman’s ‘Methods of Industrial Peace,’ in *The Nation* for February 24, 1905; and finally in January, 1906, his most considerable pieces of work, (5) ‘Employers’ Associations in the United States’ and ‘Trade-Union Agreements in The Iron Molders’ Union,’ both published in the coöperative volume issued by the Seminary under the title ‘Studies in American Trade Unionism.’



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“While the work thus enumerated was excellent and has received high praise, our estimate of Mr. Hilbert as an investigator should be based less perhaps on actual achievement than on his method of work.

“Foremost among his characteristics as an investigator was his eagerness in the pursuit of data. This led him constantly to widen the field of his observation in order to secure additional light on the subject under investigation. When he began his trade union studies in the autumn of 1902, he proposed to make a study of trade agreements and his earliest article noted above, indicates this line of work. As he went farther into the subject it became evident that some knowledge of employers’ associations and their working was necessary for the successful accomplishment of his task. The result was his work on employers’ associations in the United States, probably the most valuable of his published papers and the most adequate account of these organizations heretofore written. By degrees, his task widened until he had set before himself as a subject ‘Collective Bargaining in the United States.’

“In the study of trade unionism, much depends upon the power to ascertain facts by means of personal interview. Mr. Hilbert showed himself peculiarly adept in the use of this scientific instrument. Something in him, whether his strong manliness or his evident sincerity of purpose, opened the way to the secret places of the trade union and the employers’ association. Those of us who have followed him have had frequent evidences of the high regard in which he was held by the officials of trade unions and of employers’ associations with whom he had come in contact.

“Finally, in all his work, he showed the finest spirit of coöperation. When the ‘Bibliography of American Trade Publications’ was undertaken as a Seminary effort, Hilbert gave to its preparation, as much time and energy as to his own work. None of us at work in the field brought back such large stores of material for the common good. He was always ready to undertake special inquiries apart from his own investigation, and these inquiries he prosecuted with zeal.

“In the last few months before his death, he had begun to put together the results of his three and a half years’ work. That he did not live to finish his dissertation was a loss not only to us, his friends and admirers, but to the scientific knowledge of American trade unionism.”

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*January 18, 1907.*—Two hundred and thirty-fifth regular meeting. Pro-

fessor Gildersleeve in the chair. Thirty members were present.

The Title of Boccaccio's Decameron. By J. E. SHAW.

The Redaction of the First German Bible. By W. KURRELMEYER.

*February* 15, 1907.—Two hundred and thirty-sixth regular meeting.

Professor Gildersleeve in the chair. Thirty-two members were present.

The Liturgical and the Comic in Goethe's Faust. By H. WOOD.

The Cairo Genizah. By W. ROSENAU.

*March* 15, 1907.—Two hundred and thirty-seventh regular meeting.

Professor Gildersleeve in the chair. Twenty-nine members were present.

Un-Homeric Elements in the Medieval Story of Troy. By N. E. GRIFFIN.

The Tagalog Ligature and Analogies in other Languages. By F. R. BLAKE.

### Historical and Political Science Association.

*November* 9, 1906.

Present Conditions of Historical Science. By J. M. VINCENT.

The New Political Science Review. By W. W. WILLOUGHBY.

Spargo's Socialism. By T. W. GLOCKER.

Evans' Calendar of Transcripts, 1572-1773 (Virginia). By D. S. FREEMAN.

*December* 14, 1906.

Economic and Political Conditions in Haiti, St. Thomas, Antigua and Guadeloupe. By J. H. HOLLANDER.

Howard's The German Empire. By R. G. CAMPBELL.

Berard's Relations of Church and State during the Revolution. By S. L. WARE.

*January* 25, 1907.

Work of the Historical Bureau of the Carnegie Institution. By J. F. JAMESON.

*March* 1, 1907.

Studies in the Economic History of Tennessee. By ST. GEORGE L. SIOUSSAT.

*April* 5, 1907.

American Sectionalism, with special reference to its bearing on party history and its economic influence. By FREDERIC J. TURNER.

Brodrick's Political History of England, 1801-1837. (Hunt and Poole Series.) By W. T. LAPRADE.

Thompson's From Cotton Field to Cotton Mill. By J. B. KENNEDY.

Leacock's Elements of Political Science. By J. F. CREMEN.

**Baltimore Naturalists' Field Club.**

*October 15, 1906.*

Election of Officers :

E. A. ANDREWS, *President.*

P. H. FRIESE, *Vice-President.*

R. P. COWLES, *Secretary.*

Chairman of Botanical Section, D. S. JOHNSON.

Chairman of Zoological Section, CASWELL GRAVE.

Chairman of Geological Section, C. K. SWARTZ.

Fungi found around Baltimore. By P. H. FRIESE.

*November 19, 1906.*

Methods employed by the Maryland Shellfish Commission in the Survey of Oyster Reefs. By CASWELL GRAVE.

*December 11, 1906.*

Anatomy and Behavior of the Water Beetle. By O. E. BRANSKY.

Island Formation in the Region of Beaufort, N. C. By I. F. LEWIS.

Grafting of Trees. By F. H. BLODGETT.

*January 15, 1907.*

Life History, Anatomy and Habits of the Common Water Beetle found about Baltimore. By E. A. ANDREWS.

*February 11, 1907.*

Nesting Habits of various Birds. By G. C. EMBODY.

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## THE JOHNS HOPKINS PRESS

has in preparation for early issue two more volumes of the *Albert Shaw Lectures on Diplomatic History*: AMERICAN DIPLOMACY UNDER TYLER AND POLK, by Dr. Jesse S. Reeves ; and INTERNATIONAL LAW AND DIPLOMACY OF THE SPANISH-AMERICAN WAR, by Professor E. J. Benton.

The previous volumes of this series have been the DIPLOMATIC HISTORY OF THE SOUTHERN CONFEDERACY by Professor James M. Callahan (now out of print), and the DIPLOMATIC RELATIONS OF THE UNITED STATES AND SPANISH AMERICA by Professor John H. Latané.

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## CURRENT NOTES

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### UNIVERSITY LECTURES AND ASSEMBLIES

The third course of lectures on the Herter foundation was given in the auditorium of the physiological building, October 8, 9, 10, by Sir ALMROTH E. WRIGHT, M. D., F.R.S., Pathologist of St. Mary's Hospital, London. The subject was the "Therapeutic Inoculation of Bacterial Vaccines and its application in connection with the Treatment of Bacterial Disease."

The Percy Turnbull Memorial Lectures on Poetry were given in McCoy Hall, February 14-26, by EUGEN KÜHNEMANN, Ph.D., Professor of Philosophy in the University of Breslau. The lectures were given in German, and the subject was "Deutsche Dichtung in der Zeit ihrer grössten Blüte."

Professor MAURICE BLOOMFIELD delivered six lectures in McCoy Hall on the "Religion of the Veda, the Ancient Religion of India," November 5-16.

A course of five lectures on Biblical Archæology, having especial reference to the Identification of Sites, was given in McCoy Hall, December 4-17, by Dr. FREDERICK J. BLISS, late Field-Officer of the Palestine Exploration Fund.

Professor JOHN DEWEY, of Columbia University, gave ten lectures on "The Development of Greek Philosophy," between December 13 and January 19. The course was given in Levering Hall, and was open to the public.

Public lectures were given in McCoy Hall by members of the Faculty, January 7 to February 8, as follows: The Historic Peninsula of Virginia: Impressions of a Summer Traveler, by Dr. GILMAN; The Persistence of the Greek Element in Modern Culture, by Professor GILDERSLEEVE; A Trip to Alaska, by Professor CLARK; Light and Color in their Relation to Painting, by Professor R. W. WOOD; A Speculative Defense of Poetry and a Verification of the Defense, by Professor BRIGHT (two lectures); The Labor Problem, by Professor HOLLANDER; Radium and Radioactivity, by Professor JONES; The Blue Mountains of Jamaica, by Professor D. S. JOHNSON; Oyster Culture in Maryland, by Professor GRAVE; The Salton Sea of Lower California, and some Volcanoes visited in 1906, by Professor REID; A Day with a Greek Householder, by Dr. D. M. ROBINSON.

The annual course of four lectures on American History, by Dr. JAMES SCHOULER, was delivered March 5, 6, 7, 8, the specific subject being, "Ideals of the American Republic."

Dr. THEODORE C. FOOTE has continued his course in the study of the Bible, for persons not connected with the University, giving twenty lessons, Saturday mornings.



The following lectures have also been open to the public :

Mrs. JOHN M. GLENN, of Baltimore, on "Personal Experiences in Relief Work in San Francisco," October 24.

Professor PIERRE JANET, of the Collège de France, two lectures (in French) on "Mind in Medicine," November 19 and 21.

Professor CHARLES C. BLACKSHEAR, of the Woman's College, Baltimore, on "Structures of the Buddhists in Ceylon and of the Jains and Muhammadans in India, January 4.

Professor JOHN B. HENNEMAN, of the University of the South, two lectures entitled respectively "The Beginnings of Shakespeare's Art: The Literary Influences of Shakespeare's Early Period" and "The Height of Shakespeare's Art: The Themes of Tragedy," January 21 and 23.

Professor ERNEST C. MOORE, of the University of California, on "Education as a University Subject," February 23.

The two hundredth anniversary of the birth of the Italian poet, Carlo Goldoni, was observed February 27 by a lecture on his life and works by Dr. JAMES E. SHAW.

Professor ALEXANDER T. ORMOND, of Princeton University, on "Tendencies in American Thought," April 9.

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The formal acceptance and installation of the Warrington Dispensary Library of Medical Classics and the Ahlfeld Teratological Library, presented respectively by Mr. William A. Marburg and Mr. Francis M. Jencks, took place in the auditorium of the physiological building, on the evening of January 2. Addresses were delivered by Dr. Osler, Dr. Welch, and Dr. J. Whitridge Williams.

The degree of Doctor of Laws was conferred upon Sir WILLIAM HENRY PERKIN, the distinguished English chemist, before an assembly composed of the Trustees, Faculty, Students, and friends of the University, in McCoy Hall, November 7.

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The Tenth Annual Inter-Class Debate and the Contest in Public Speaking by undergraduates were held in McCoy Hall, March 8.

The Sixth Annual Intercollegiate Debate was held in McCoy Hall, April 19, between students of this University and the University of Virginia.

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#### OTHER LECTURES, MEETINGS, AND CONVENTIONS IN THE UNIVERSITY HALLS

Under the auspices of the Baltimore Society of the Archæological Institute of America the following lectures have been given in McCoy Hall : Rev. F. E. HOSKINS, of Beirut, Syria, on "Recent Journeys into Moab and Edom, February 7 ; Professor W. P. MUSTARD, of Haverford College, on "Roman Remains in the South of France," April 15. The annual meeting of the Society was held in the Donovan Room, November 15.

Before the Municipal Art Society, lectures have been delivered in McCoy Hall, as follows: Mr. ROYAL CORTISZOZ, on "Velasquez," November 16; Mr. F. HOPKINSON SMITH, on "Pessimism and Realism in Art and Literature," January 8; Mr. ERNEST FENOLLOSA, on "Chinese and Japanese Painting," March 18; Mr. JOHN QUINCY ADAMS, on "Municipal Art in the United States," April 17.

Rev. Dr. W. W. WHITE, of New York, gave eight weekly lectures on the Bible, under the auspices of the Young Men's Christian Association of Baltimore, in McCoy Hall, January 21 to March 11.

A lecture was given before the Engineers' Club of Baltimore, by Mr. C. W. HENDRICK, Chief Engineer of the Sewerage Commission, on the "New York Subway," in McCoy Hall, December 8.

A course of five illustrated lectures on "Italy" was delivered in McCoy Hall, February 14 to March 21, by Mr. J. FREDERICK HOPKINS, Director of the Maryland Institute Schools of Art and Design.

Mr. W. H. MALLOCK, of England, gave three lectures on Socialism, in McCoy Hall, March 14, 15, 16, under the auspices of the National Civic Federation.

Dr. C. F. LANGWORTHY, of the Agricultural Department at Washington, lectured in McCoy Hall, February 28, on "Recent Nutrition Investigations."

The annual meeting of the Federated Charities of Baltimore was held in the Donovan Room, November 8, the annual public meeting in McCoy Hall, November 15, and a joint meeting with the St. Vincent de Paul Society in the Donovan Room, March 4.

Meetings of the Educational Society of Baltimore were held February 21 in the Donovan Room, and on April 19 in Levering Hall when the Hon. ELMER E. BROWN, U. S. Commissioner of Education, lectured on "National Aspects of Education."

Mr. E. C. HUTCHESON, of the Peabody Conservatory of Music, gave a piano recital in McCoy Hall, March 19, for the benefit of the Scholarship Fund of the Woman's College Alumnae, and again April 15, in behalf of the Light Street Free Kindergarten.

The Baltimore Branch of the American Institute of Bank Clerks held their annual meeting, with a lecture, in McCoy Hall, March 15.

A lecture before the Childrens' Play Ground Association was given in Levering Hall, April 15.

The following meetings have also been held:

The Maryland Branch of the National Red Cross Society, in the Donovan Room, November 6.

The Farmers' League of Maryland, in the Donovan Room, December 20.

The Maryland Society for the Prevention and Relief of Tuberculosis, in McCoy Hall, February 12.

The Medical and Chirurgical Faculty of Maryland, in McCoy Hall, February 28.

# A Reprint of Economic Tracts

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## SECOND SERIES

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In consequence of the favorable reception accorded the reprint of four economic tracts of the nineteenth century in 1903-4, the Johns Hopkins Press invites subscriptions to a similar reprint of four important economic tracts of the seventeenth century. Should sufficient encouragement be received to warrant the enterprise, it is proposed to issue the tracts consecutively under the editorial direction of J. H. Hollander, Ph. D., Professor of Political Economy in the Johns Hopkins University.

The proposed series will consist of the following tracts :

- (1) A Discourse of Trade. By Nicholas Barbon. London, 1690. (Ready.)
- (2) Several Assertions Proved, in order to create another species of money than gold and silver. By John Asgill. London, 1696. (Ready.)
- (3) Discourses upon Trade, principally directed to the cases of the interest, coynage, clipping, increase of money. By Dudley North. London, 1691. (Ready.)
- (4) England's Interest Considered, in the increase of the trade of this kingdom. By Samuel Fortrey. Cambridge, 1663.

Each tract will be supplied with a brief introductory note and necessary text annotations by the editor. The general appearance of the title page will be preserved and the original pagination will be indicated.

The edition will be limited to five hundred copies. With a view to serving the largest scientific usefulness, the subscription for the entire series of four tracts has again been fixed at the net price of One Dollar (5 shillings—5 marks—6 francs). Subscriptions for the series should be sent to

THE JOHNS HOPKINS PRESS,  
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### *First Series of Reprints of Economic Tracts*

Of the first series of reprints, a limited number can yet be obtained at the price of One Dollar and a Half (\$1.50) net for the series. The first series can only be supplied in conjunction with a subscription to the second series. As the edition approaches exhaustion, the price is likely to be further increased. The first series consists of the following tracts :

1. Three Letters on 'The Price of Gold.' By David Ricardo, 1809.
2. An Inquiry into the Nature and Progress of Rent. By T. R. Malthus, 1815.
3. Essay on the Application of Capital to Land. By Sir Edward West, 1815.
4. A Refutation of the Wage-Fund Theory. By Francis D. Longe, 1866.

# THE JOHNS HOPKINS PRESS OF BALTIMORE.

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- American Journal of Mathematics.** FRANK MORLEY, Editor. Quarterly. 4to. Volume XXIX in progress. \$5 per volume. (Foreign postage, fifty cents.)
- American Chemical Journal.** IRA REMSEN, Editor. Monthly. 8vo. Volume XXXVII in progress. \$5 per year. (Foreign postage, fifty cents.)
- American Journal of Philology.** B. L. GILDERSLEEVE, Editor. Quarterly. 8vo. Volume XXVIII in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Studies in Historical and Political Science.** J. M. VINCENT, J. H. HOLLANDER, W. W. WILLOUGHBY, Editors. Monthly. 8vo. Volume XXV in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Johns Hopkins University Circular.** Monthly. 8vo. \$1 per year.
- Johns Hopkins Hospital Bulletin.** Monthly. 4to. Volume XVIII in progress. \$2 per year. (Foreign postage, fifty cents.)
- Johns Hopkins Hospital Reports.** 4to. Volume XV in progress. \$5 per volume. (Foreign postage, fifty cents.)
- Contributions to Assyriology and Semitic Philology.** PAUL HAUPT and FRIEDRICH DELITZSCH, Editors. Volume VI in progress.
- Memoirs from the Biological Laboratory.** W. K. BROOKS, Editor. Volume VI in progress.
- Modern Language Notes.** A. M. ELLIOTT, Editor. Monthly. 4to. Volume XXII in progress. \$1.50 per volume. (Foreign postage, twenty-five cents.)
- American Journal of Insanity.** HENRY M. HURD, Editor. Quarterly. 8vo. Volume LXIII in progress. \$5 per volume.
- Terrestrial Magnetism and Atmospheric Electricity.** L. A. BAUER, Editor. Quarterly. 8vo. Volume XII in progress. \$2.50 per volume. (Foreign postage, twenty-five cents.)
- Reprint of Economic Tracts.** J. H. HOLLANDER, Editor. First series, \$1.50. Second series, in progress, \$1.00.
- Report of the Maryland Geological Survey.**
- Report of the Johns Hopkins University.** Presented by the President to the Board of Trustees.
- Register of the Johns Hopkins University.** Giving the list of officers and students, and stating the regulations, etc.
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- ROWLAND'S PHOTOGRAPH OF THE NORMAL SOLAR SPECTRUM.** Ten plates. \$20.
- PHOTOGRAPHIC REPRODUCTION OF THE KASHMIRIAN ATHARVA-VEDA.** M. Bloomfield, Editor. 3 vols. Folio. \$50.
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- THE TAILL OF RAUF COILYEAR.** Edited by William Hand Browne. 164 pp. 8vo. \$1.00, net.
- A NEW CRITICAL EDITION OF THE HEBREW TEXT OF THE OLD TESTAMENT.** Paul Haupt, Editor. Prospectus on application.
- STUDIES IN HONOR OF PROFESSOR GILDERSLEEVE.** 527 pp. 8vo. \$6.
- THE PHYSICAL PAPERS OF HENRY A. ROWLAND.** 716 pp. 8vo. \$7.50.
- BALTIMORE LECTURES ON MOLECULAR DYNAMICS AND THE WAVE THEORY OF LIGHT.** By Lord Kelvin. 716 pp. 8vo. \$4.50, net.
- THE OYSTER.** By W. K. Brooks. 225 pp. 8vo. \$1.
- ECCLESIASTES: A NEW METRICAL TRANSLATION.** By Paul Haupt. 50 pp. 8vo. 50 cents.
- ANCIENT SINOPE.** By David M. Robinson. 112 pp. \$1.

Communications should be addressed to The Johns Hopkins Press.





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1908

No. 5

THE  
JOHNS HOPKINS  
UNIVERSITY CIRCULAR

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THE  
ECONOMIC SEMINARY

1907-08

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BALTIMORE, MARYLAND  
PUBLISHED BY THE UNIVERSITY  
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MAY, 1908

[New Series, 1908, No. 5]  
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Illinois State Natural History Survey

# JOHNS HOPKINS UNIVERSITY CIRCULAR, No. 206

MAY, 1908

## CONTENTS

	PAGE
THE ECONOMIC SEMINARY, 1907-08 . . . . .	1
The Taxation of Tangible Personal Property in Baltimore. By JACOB H. HOLLANDER, . . . . .	3
Territorial Jurisdiction of the International Typographical Union. By GEORGE E. BARNETT, . . . . .	11
Trade Union Agitation for Direct Legislation. By T. W. GLOCKER, . . . . .	19
Concerning the Distribution of Freight Cars. By LOGAN G. MCPHERSON, . . . . .	23
Union Agreements for the Regulation of the Use of the Label. By ERNEST R. SPEDDEN, . . . . .	27
The Standard Rate in the Garment Workers. By D. A. McCABE, . . . . .	31
The Closed Shop in the Granite Cutters' International Association of America. By F. T. STOCKTON, . . . . .	39
The Boot and Shoe Workers and Convict Labor. By A. O. MULLEN, . . . . .	43
Labor Laws in Maryland. By H. WIRT STEELE, . . . .	53

HENRY NEWELL MARTIN. Tribute by William H. Howell, . .	47
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# THE JOHNS HOPKINS UNIVERSITY CIRCULAR

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MAY, 1908

Whole Number, 206

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## THE ECONOMIC SEMINARY, 1907-1908

Edited by PROFESSOR J. H. HOLLANDER and ASSOCIATE  
PROFESSOR G. E. BARNETT

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During the current academic year, the Economic Seminary has continued its investigation of American trade unionism. In the summer of 1907 each member of the Seminary carried on field work in connection with the particular phase of the subject in which he was interested. The summer work was fruitful also in adding materially to the large collection of trade-union publications in the possession of the University. Material progress has been made in prosecuting the inquiries already begun, and certain new lines of investigation have been undertaken. The chief of these are: The closed shop, trade unionism and convict labor, labor legislation in Maryland, political activities of American trade unions.

Two monographic studies submitted by members of the Seminary in part fulfillment of the requirements for the doctor of philosophy degree are now in press for issue in the *Johns Hopkins University Studies in Historical and Political Science*, XXVI Series, as follows: "The Govern-



ment of American Trade Unions," by T. W. Glocker, Ph. D., and "The Beneficiary Features of American Trade Unions," by J. B. Kennedy, Ph. D.

The record of the proceedings of the Seminary, and abstracts of certain papers presented are appended:

Oct. 9—Report of the summer's field work, by Professor Hollander, Dr. G. E. Barnett, Dr. T. W. Glocker, D. A. McCabe and E. R. Spedden.

Oct. 16—"Taxation in Baltimore," by Professor Hollander.

Oct. 24—"The Rise of the Local Union," by Dr. T. W. Glocker.

Oct. 30—"The Early Typographical Societies," by Dr. G. E. Barnett.

Nov. 7—(a) "Municipal Taxation," by Professor Hollander; (b) "Some Impressions of American Election Methods," by Dr. Wilhelm Cohnstaedt, American Correspondent of the *Frankfurter Zeitung*.

Nov. 13—"The Early History of the Typographical Union," by Dr. G. E. Barnett.

Nov. 21—"The Agitation and Demand for the Trade-Union Label," by E. R. Spedden.

Nov. 27—"The Twenty-fifth Anniversary of the Charity Organization Society of New York," by H. W. Steele.

Dec. 11—(a) "The Machine in the Iron Molding Trade," by E. T. Cheetham; (b) "The Closed Shop in Baltimore," by F. T. Stockton.

Dec. 18—"The Wage Scale among the Garment Workers," by D. A. McCabe.

Jan. 15—"The Boot and Shoe Workers and Convict Labor," by A. O. Mullen.

Jan. 29—"The Granite Cutting Machine," by E. T. Cheetham.

Feb. 12—"A Review of the Decision of the United States Supreme Court in *Howard v. Illinois Central R. R.*," by D. A. McCabe.

Feb. 19—"Membership in the Typographical Union," by Dr. G. E. Barnett.

Feb. 27—(a) "Labor Legislation in Maryland," by H. W. Steele; (b) "The Closed Shop in the Granite Cutters' Union," by F. T. Stockton.

Mar. 12—(a) "The Memoirs of Sir Edward West," by Professor Hollander; (b) "The Initiative and Referendum in American Trade-Unions," by Dr. T. W. Glocker.

Mar. 18—"The Decisions of the United States Supreme Court in *Adair v. U. S.* and *D. E. Loewe v. United Hatters*," by Dr. T. W. Glocker and E. R. Spedden.

Mar. 26—"The History of the Baltimore Brewery Consolidation," by D. A. McCabe.

April 1—"The Freight Rate Structure of the Southern States," by Logan G. McPherson.

April 9—"The Financing of the Union Label," by E. R. Spedden.

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## THE TAXATION OF TANGIBLE PERSONAL PROPERTY IN BALTIMORE

BY JACOB H. HOLLANDER

One of the most astonishing facts in the recent fiscal experience of Baltimore is that the gross taxable basis of "general personalty" is now barely more than it was ten years ago, and the net taxable basis—arrived at by deducting tax-exempt manufacturing plants—is actually less now than it was at that time!

The total assessment of personalty, including "securities," was in 1897, just prior to the general reassessment, \$38,364,558. Of this amount it is estimated that \$6,000,000 represented "securities," reducing the assessment of "general personalty" to \$32,364,558. With the reassessment of 1896-97, this rose to \$37,020,838 in 1898, but thereafter, despite the biennial relisting of 1898, the total basis declined from \$37,020,838 in 1898, to \$33,164,218 in 1899, and to \$31,857,105 in 1900. This shrinkage is not to be explained by the Annex exemption, since even in the old city limits the taxable basis was reduced from \$36,258,114 (including securities) in 1897 to \$33,503,342 in 1898, to \$30,679,346 in 1899, to \$29,007,381 in 1900. A new administration of the Appeal Tax Court and the disappearance of the Annex exemption (as to personalty) were reflected in an increase of the total basis to \$36,992,526 in 1901 and to \$40,805,295 in 1902—at which point it remained virtually stationary,—\$41,123,808 in 1903, \$40,275,889 in

1904, \$41,628,924 in 1905. Then followed an inexplicable shrinkage of the basis to \$35,708,903 in 1906, and slow recovery to \$36,219,659 in 1907 and \$39,232,866 in 1908—a phenomenon which neither the destruction incident to the great fire of 1904 nor the conversion of associations into Maryland corporations can adequately explain.

While the gross basis has remained practically stationary, the value of tax-exempt manufacturing plants has steadily increased from \$1,264,630 in 1897, to \$2,999,528 in 1902, to \$4,412,951 in 1908—this last amount being no less than 11 per cent. of the corresponding total basis. There has thus been a movement of the net basis—with slight increase in particular years, but downward on the whole—from \$35,213,033 in 1898 to \$34,819,915 in 1908.

This retrograde movement in gross personalty assessment is the more remarkable in that year after year, during the whole period, there has been large new and increased assessments placed on personalty. Since 1900—to say nothing of the period before—the smallest amount of such increase for any one year was \$3,465,950 (1903), while the largest amount was \$8,188,119 (1906). The total increase from 1900 to October 1, 1907, aggregates \$44,800,399. In the last eight years therefore there has been put upon the tax books an additional amount of personalty greater than the total personal basis at either the beginning or at the end of the period. But, astonishing to relate, there has been abated from the personal assessments an amount even greater than the volume of new and increased assessments, so that the city has lost since 1900 not only every particle of benefit of the \$44,800,399 addition, but has suffered a further reduction (leaving out of account increase in tax-exempt manufacturing plants) of \$2,240,350, being the difference between the gross personal basis of 1901 and 1908 respectively.

With respect to composition, the total assessment of “general property” as it figures in the foregoing table is obviously made of two elements: (a) household effects

and personal belongings; and (b) mercantile stocks and industrial equipment.

It is indispensable, if we are to arrive at any certain conclusion as to what is responsible for the remarkable shrinkage above noted, that we should know the relative amounts and tendencies of these groupings for a term of years. Unhappily neither the printed reports nor the office records of the Appeal Tax Court, although recognizing such categories, give any tabulations of their respective amounts.

In the absence of precise tabulations it becomes necessary to make use of reasonable estimates. The gross assessment of "general personalty," excluding tax-exempt manufacturing plants, in the 1908 basis was \$34,819,915. The estimate of the Appeal Tax Court is that one-fifth of this, or roughly, \$7,000,000 represents household effects and personal belongings, and four-fifths, or roughly, \$28,000,000 represents mercantile stocks and industrial equipment.

For these figures to be of real use, we should know the corresponding amounts of (a) household effects and (b) mercantile stocks in the 1898 basis. It would then be possible to compare the movements of the two groups during the intervening seven years and to form some opinion as to whether assessments have really kept pace, in one or in both, with values. But we have no means of ascertaining this distribution of the 1898 personal basis between household effects and mercantile stocks, and the officers of the Appeal Tax Court are reluctant—and it is natural that they should be so—to venture any estimate of such distribution in the manner they have done with the 1908 basis. Accordingly it becomes necessary to adopt a somewhat different line of reasoning in our further argument.

It is the opinion of the Appeal Tax Court that the total assessment upon mercantile stocks, as contained in the 1908 basis, is practically 100 per cent. greater than the total assessments of all such stocks in the 1898 basis. In



confirmation of this estimate the chief assessor has taken at random 56 business establishments, representing many different kinds and classes of mercantile activity, and compared their respective assessments for 1898 and 1908. The total personal assessments of these 56 establishments in 1898 was \$3,147,482, while in 1908 it was \$6,122,218, showing an increase of ninety-four per cent. If this increase be typical—and the Appeal Tax Court seems satisfied that it is—and if account be taken of the considerable number of business establishments that have come into successful operation since 1898, we arrive at the conclusion that the total personal assessment upon business houses in 1898 was virtually one-half of what it is estimated to be in 1908. The total assessment of business houses in 1908 is estimated to be \$28,000,000, according to which the corresponding aggregate assessment for 1898 would be \$14,000,000.

This leads us to further interesting conclusions. The total net assessment of general personalty in 1908 was \$35,213,033. If, in accordance with the foregoing reasoning \$14,000,000 of these represented business establishments—the remaining \$21,000,000 must have represented the total assessment of household effects and personal belongings. Side by side with this should be placed the estimate of the Appeal Tax Court that in the 1908 basis household effects and personal belongings represent not more than \$7,000,000!

It is an impossible strain upon the imagination to suppose that ordinary influences could effect such a decline in the total assessment of household effects in Baltimore from \$21,000,000 in 1898 to \$7,000,000 in 1908!

As a matter of fact, the general tendency in city taxation is for the total assessment upon household goods and tangible personal belongings to remain fairly constant, for a considerable term of years. Increase in personal wealth tends to take the form of intangible securities. It is true that in Baltimore the wear and tear of household

effects and the drift of city dwellers beyond the tax lines into the suburbs, may have tended to reduce the total personal basis. But on the other hand there has been marked increase in the number of houses erected—some 6000 since the great fire alone—and certainly no decline in the standard of household furnishing. On the whole, it would seem a very conservative assumption that the value of household effects and personal belongings in Baltimore is not less than it was ten years ago.

This general conclusion is at least illustrated by one scrap of evidence. When the wedge-shaped section of the city was “re-scheduled” in 1901-03, primarily for the purpose of assessing securities, return was also required of taxable general personalty. The section reviewed was almost exclusively a residential quarter, and the results obtained, marked as they were in the matter of securities, showed some, but no very considerable increase in the matter of household effects and tangible belongings.

If it be true—and it is difficult to see how any reasonable person can gainsay the statement—that the total actual value of household effects and personal belongings in Baltimore in 1908 is at least as great as it was in 1898, what possible explanation is to be given of the deductions above reached, that whereas the valuation of such property in 1898 was \$21,000,000, at the present time it is only \$7,000,000!

The explanation given by the Appeal Tax Court is that the shrinkage in the assessment of household effects is in reality a purging of the tax books of gross errors as to personalty made by the 1896 assessment and by the 1898 revision. It may well be that this is reflected in the decline from \$37,020,838 in 1898 to \$31,857,107 in 1900. But by this latter year this process must, in net effect if not in actual detail, have been very far advanced; for the personal basis had then (1900) fallen below the personal basis on January 1, 1897, which represented the valuation

of personal property before the general assessment of 1896.

Undoubtedly long after 1900 and even up to the present time, particular assessments of household effects dating back to 1896-98 were abated as incorrect or uncollectable. But the net effect of this must, or should have been, counteracted by the assessment of new households and the increased value of old. It is so unlikely as to be incredible that the errors of the initial assessment and of the revision of 1896-98 can explain a decline, in the matter of household effects, to one-third of the basis a decade later.

I have heard no suggestion from any source that the increase in the personal basis from \$31,837,105 in 1900 to \$36,992,526 in 1901, represents a similar negligent or deliberate padding of the tax rolls with fictitious assessments, or that no part of such increase, in so far as valid, related to personal effects. As a matter of fact, this increase of some 17 per cent. in the course of a twelvemonth was coincident with the reorganization of the Appeal Tax Court under a new municipal administration. The same administrative activity is seen in an increase of the basis to \$40,805,295 in 1902, to \$41,123,808 in 1903, to \$40,275,889 in 1904 and to \$41,628,924 in 1905—this despite the destruction of values and the declination of business relations incident to the great fire.

I have been unable to obtain any adequate explanation as to why the basis should have dropped back in a single twelvemonth from \$41,628,924 in 1905, to \$35,708,903 in 1906—an outright decline of some \$6,000,000, leaving an aggregate for 1906 actually more than \$1,000,000 less than in 1901. It is said that this embodies the destruction of taxable personalty incident to the great fire. But the taxable basis of 1906 was completed a full eighteen months after the conflagration, by which time the replacement of mercantile stocks had made great progress. Moreover this net decline resulted, despite the fact that new and increased assessments were placed on personal property

to the amount of \$8,188,119 in 1905 and \$6,613,308 in 1906.\* The total assessment of personal property destroyed by the fire was \$26,092,910, of which some \$15,000,000 was assessed to Maryland corporations, leaving the total destruction of what has here been described as "general personalty" only \$11,092,912 in the first instance.

There is similarly no adequate explanation for the very slow recovery of the basis from \$35,708,903, to \$36,219,659 in 1907 and to \$39,232,866 in 1908, the last figure showing the personal basis of Baltimore at the present time to be actually a million and a half dollars less than it was six years ago, in 1902. There has undoubtedly been, as for some years past, a loss of business assessments due to the conversion of partnership associations into incorporated companies. But the increase in the assessed valuation of locally held shares of Maryland corporations since 1898 has been inconsiderable. This may in part be due to inefficient methods of corporation assessments or to the tendency of such shares to drift, as to taxable situs, to Baltimore County; but on the whole, it seems clear that this change in the form of business enterprise, although exercising an appreciable influence, is very far from explaining the singular phenomenon with which we have to do.

If the estimates of the Appeal Tax Court as to the increased valuation of business and the consequent shrinkage of household assessments be discarded, and our reasoning be based upon an assumption that household effects figure in about identical amount in the basis of 1908 as in the basis of 1898, we arrive at equally unsatisfactory conclusions.

If the assessment of household effects be assumed to have remained practically constant, inasmuch as the gross basis has undergone comparatively little change in the decade, the inference must be drawn that the other class of

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\*These amounts, I am informed, are not all new assessments but largely reassessments, former assessments being abated.



general personalty, namely, mercantile stocks and industrial equipment, has remained practically unaltered as to assessment. This estimate, reduced to figures, would be—upon the assumption that household effects are assessed at \$7,000,000—that the gross assessment upon business establishments in 1898 was some \$24,700,000 and in 1908 some \$26,900,000 and that the net assessment—deducting tax-exempt manufacturing plants—was \$22,900,000 in 1898 and \$22,500,000 in 1908.

Whether these figures be reasonable estimates or hopelessly short of the mark, the essential fact remains, namely, that if household effects figure to no greater extent in the assessment basis of 1908 than in the basis of 1898, then it is absolutely certain that there has been only a trifling increase in the gross assessment of business establishments and an actual shrinkage in their net assessment.

The whole argument as stated above might be summed up briefly as follows: If the assumption of the Appeal Tax Court that the assessments upon business establishments have doubled since 1898 be valid, then we must accept the conclusion that household effects are now assessed in aggregate at practically a third of what they were ten years ago. If on the other hand we believe that household effects figure as largely in the basis of 1908 as in that of 1898, then we must believe that there has been an actual shrinkage in the net assessments of business establishments. If, finally, our assumption be midway between these extremes, the element of improbability is lessened somewhat, but only at the expense of neglecting the opinions of the Appeal Tax Court and the important even though inconclusive evidence upon which such opinions are based.

It is difficult to say which of these inferences is the most unlikely. They have only one point in common, and that is that they require us to believe that although the city is larger, the population richer, the industrial life

more active, the mercantile establishments better equipped now than ten years ago—in short, although everything has advanced, yet from the testimony of the tax books we are to admit that the tangible personal wealth of Baltimore has actually receded!

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## TERRITORIAL JURISDICTION OF THE INTERNATIONAL TYPOGRAPHICAL UNION

BY GEORGE E. BARNETT

The national union endeavors to enforce its rules and customs upon union printers only when under the jurisdiction of some local union.\* The rules of the national union, in so far as they relate to working conditions, are not binding upon a union printer working in a city or town in which there is no local union. The same principle is applied in the collection of dues. A member not working under the jurisdiction of any subordinate union has a right to demand a withdrawal card. This card severs his connection with the union until he secures employment within the jurisdiction of some subordinate union. If he desires to retain his right to the benefits provided by the union, he may do so by paying national dues only.

At any given time, therefore, the territory over which the national union actually exercises jurisdiction is the aggregate territorial jurisdiction of the local unions, but it also claims a potential jurisdiction over a much greater territory. The territorial jurisdiction, in this sense, of the national union is the extent of territory within which it claims the exclusive right to organize local unions. If

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\*The national union has only one rule binding upon a union printer outside of the jurisdiction of some local union, viz., that he "shall not go to work in a town or city where no union exists, during the progress of a strike, without the consent of the parties engaged in a strike." (General Laws, 1908, Sec. 100.)

the printers of an unorganized city within this territory organize a union unaffiliated with the national union, an invasion of the jurisdiction of the national union has occurred.

That all local unions must be under the jurisdiction of the national is a theory which has developed side by side with the growth of centralization and the feeling of dependence upon the national union. When the local unions united into a national organization in 1850, they did not resent strongly the existence of unions not affiliated with the national organization. The national union was regarded simply as a voluntary organization of certain local unions and independent local unions were treated with great consideration. Local unions frequently allowed their affiliation with the national union to lapse for considerable periods. The Columbia (Washington) Society and the Richmond Society existed as independent organizations for many years after the formation of the national union. Both of these societies had developed important beneficiary functions and were reluctant to admit printers from other unions without the payment of initiation fees. After several unsuccessful attempts to secure the adherence of the Columbia Society, the president of the national union in 1860 advised that a rival union be chartered in Washington. The outbreak of the Civil War postponed action, and in 1867 the Columbia Society voluntarily attached itself to the national union. The Richmond Society received a charter in 1866.

The force which gradually brought the independent societies into the national union was the card system. By a rule of the national union no local union was allowed to "receive members on cards issued by any other association than those chartered by the national union." Members of independent organizations were not refused admission to unions affiliated with the national union but they were required to pay an initiation fee. The Columbia Society avoided conflict by not attempting to discriminate against

persons having cards of other unions. They were allowed to work in the offices controlled by the Society without being required to become members. As the closed shop was more and more strongly enforced by the unions the desirability of securing the privilege of working in union offices for travelling members without the necessity of paying fees became of controlling importance.

The extent of territory over which the national union claimed jurisdiction was not at the outset carefully defined. The founders of the short-lived National Typographical Association and of the National Typographical Union wished to bring into closer relations certain existing unions. It happened that all these unions were located in the United States. In the preamble to the constitution of the National Typographical Association it was indicated that the Association was to include local unions in the United States. The convention called in 1850 for considering the formation of a federal union adopted the name of "Journeyman Printers of the United States," and the constitution ratified in 1852, declared that the national union possessed "original and exclusive jurisdiction in all matters pertaining to the fellowship of the craft in the United States."

The national union had hardly been established, when the desirability of making some arrangement for extending the card system to Canadian printers was suggested. The plan first favored was to allow each local union to make an arrangement for a reciprocal exchange of cards. The subordinate unions in some cases did receive members by card from these unions, but the practice was by no means general. In 1856 the constitution of the national union was amended to permit the officers to issue charters in Canada. None of the Canadian unions applied for admission and in 1857 the jurisdiction was again restricted to the United States. The matter was one of small interest except to a few northern cities.



In 1860 the president of the national union decided that a local union should not receive the cards of any Canadian union except as an evidence of "honorable standing" and that persons presenting such cards should be charged the regular initiation fee. The union instructed the secretary to "open a correspondence with the Unions in the Provinces of Canada, Nova Scotia and New Brunswick with a view of bringing them under the jurisdiction of this National Union." The secretary could find only one union "possessing any practical vitality," the Toronto Society, and this organization showed no interest in the proposed alliance.

In 1865 the national union extended its jurisdiction to include the "British Provinces" and the Corresponding Secretary was "instructed to inform the Printers' Societies or Unions in the British Provinces that the National Typographical Union of the United States extended to them the same privileges now extended to subordinate Unions in the United States." The Toronto Society, one of the oldest in North America, after much deliberation and some misgiving, applied for and received a charter from the national union. A union was organized the same year at St. John, N. B. This extension of jurisdiction was recognized in 1869 by a change of the name of the union from "National Typographical Union" to the "International Typographical Union of North America." The card system was again the chief agency in inducing Canadian unions to take charters from the International Union. After the union definitely assumed jurisdiction in 1865, the member of an independent Canadian union was required to pay an initiation fee to secure membership in any union under the jurisdiction of the national union.

For some twenty years, the jurisdiction of the union was confined to the "United States and the British Provinces." In 1888 when the constitution was revised the jurisdiction was extended to include all North America.

Local unions have been organized at various times in Jamaica, Porto Rico, Hawaiian Islands, the Philippines. The greater part of these unions have been shortlived and only a small number are now in existence. The table shows the number of unions, located in the various parts of the jurisdiction in May, 1907, and their membership:

	No. of Unions.	Membership.
Alaska .....	1	12
Canada .....	30	2,591
Hawaiian Islands.....	1	15
Philippine Islands.....	1	15
United States.....	629	42,347

It is obvious that the jurisdiction of the Union is still practically limited to the United States and Canada. The number of printers in the other parts of North America is not large and the great majority of them are printers in Spanish. The International Union has shown no capacity for organizing the printers in any parts of North America except the United States and Canada. Mexico, Cuba and Porto Rico are entirely unorganized. The unions in the Philippines and the Hawaiian Islands are unions of printers who have emigrated from the United States.

The Typographical Union has never had any serious difficulty on account of sectional secessions. The most considerable schism in the union was caused by the Civil War. In April, 1861, the Charleston Typographical Union proposed to the various Southern unions that they form a Southern Typographical Union. This plan apparently was never carried out. In July, 1861, the Atlanta Union dissolved its connection with the National Typographical Union. The great majority of the Southern unions followed this example, in many cases adopting elaborate secession ordinances. The national union by resolution declared that it "still regarded the Southern unions as members" and "urged upon them to maintain their former relations" with the national union. The attitude of

the national union throughout was conciliatory. In 1864 it authorized the president and secretary to use all means to "bring about the resuscitation of all the Southern Unions and their renewed affiliation with this body (without regard to former troubles) on the most liberal terms which in his judgment shall be deemed expedient." In 1866 practically all the Southern unions resumed their allegiance to the national union. The president of the union was able to say "*our* reconstruction is complete."

The jurisdiction of the Typographical Union over Canada has recently been disputed. In 1902 the National Trades and Labour Congress of Canada was organized. The Congress has promoted the organization of national Canadian unions and encouraged the secession of local unions from the existing national and international unions exercising jurisdiction over both the United States and Canada. The promoters of this movement have appealed to the national pride of Canadians, but as yet with slight success. The great majority of Canadian unions maintain their affiliation with the national unions already existing.

Until 1906 the printers were entirely unaffected by the national Canadian movement. The heavy assessment laid by the Typographical Union for the financing of the eight-hour-day strike caused considerable dissatisfaction among the printers in the Canadian Government Printing Office at Ottawa. In September, 1906, the Ottawa Typographical Union, by a vote of 60 to 33, resolved to secede from the International Typographical Union. The "loyalist" members retained their charter and since that time there have been two typographical unions in Ottawa. The International Union sent a commission to Ottawa in October, 1906, but the differences between the two unions were irreconcilable. The loyalists charge the secessionists with being unwilling to pay their assessment, while the seceders argue for national autonomy. The nationalist movement has not as yet caused the secession of any other local

unions, although efforts have been made to establish rival unions in other Canadian cities.

During the history of the Typographical Union only one national organization has disputed its jurisdiction in its entirety, claiming the right to organize unions of printers in the United States and Canada. In 1884 a number of non-union printers working in Kansas City formed a local organization known as the Printers' Protective Association. A year later a second association was organized in Topeka, Kan. The local associations organized the International Printers' Protective Fraternity at Kansas City on March 15, 1886. In June of that year the chief organizer of the Typographical Union referred to the Fraternity as a "so-called organization of rats," and said, "It is composed of creatures who have been driven by public opinion from other localities and like all outcasts they herded together. . . ." The Fraternity spread rapidly to a considerable number of cities. In 1888 it had branches at New Haven and Cleveland, and in 1891 an organizer of the Typographical Union reported that the Fraternity had been driven out of Knoxville, Chattanooga and Rome, Ga., but that it still had local fraternities in Little Rock, New Orleans, Jacksonville, Montgomery, Nashville and Charleston. By 1891 the Fraternity appears to have reached its greatest extent. Three local fraternities had been established in California at Los Angeles, Santa Barbara and San Diego. The convention of the Typographical Union in 1892 heard complaints of the activity of the Fraternity from Kansas City and Los Angeles.

The officers of the Union have always been fully sensible of the danger of permitting a competing organization to exist. In 1896 President Prescott said: "During the term your Executive Council has been generous to the point of liberality in supporting the efforts of financially weak unions to dislodge organized renegades who may have infested their respective jurisdictions. . . . While the progress made is hardly appreciable, the



pariahs were prevented from making further depredations and if we continue harassing this contemptuous and traitorous enemy, the dissipation of the commercial depression will witness the demise of the foul combination with its unholy aims and objects." Since 1897 the Fraternity has not shown vitality. Its operations are confined chiefly to the Pacific Coast and its strongest branch is at Los Angeles, where its members are employed on the Times.

The hatred between the Typographical Union and the Fraternity has always been intense. The officers of the Fraternity have always shown themselves willing to organize bands of workmen to take the situations of union printers. Newspaper proprietors in difficulty with the unions have frequently brought in from other points Fraternity printers to man their papers. The union printers claim that the Fraternity in reality is merely a strike breaking organization, and that its officers receive large sums of money for their services in thus securing for the employers at critical moments considerable bodies of workmen. The employer is able to say to the public, if he is boycotted, that he is employing unionists and that the difficulty is between two unions.

The Fraternity, on its side, declares that the methods of the Typographical Union are vicious. Strikes, lock-outs and boycotts are denounced by its constitution and arbitration is declared to be the "best mode of settlement for both capital and labor." "The Fraternity does not fix an arbitrary scale of wages at which its members shall work. . . . We do not seek to lay down a cast-iron rule regulating the hours of work."

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## TRADE UNION AGITATION FOR DIRECT LEGISLATION

BY T. W. GLOCKER

The last decade or more has witnessed in the United States a decided subsidence of enthusiasm as to the excellences of representative government and an equally decided movement in the various states and municipalities towards direct legislation by the people. In a few far Western States—South Dakota, Oregon and Montana—the so-called initiative and referendum as it exists in Switzerland has been introduced. Under this system, on petition of a certain number of citizens, any law passed by the legislature or any measure on any subject within the jurisdiction of the commonwealth, may be submitted to the voters. In Nevada the people have not the right to initiate new laws, but any act of the legislature may, on demand of a sufficient number of citizens, be brought to popular vote. Illinois and Texas have the advisory initiative and referendum, the verdict at the polls being morally not legally binding on the legislature. In a number of states certain specific acts of the legislature, particularly bills authorizing an issue of bonds, must be ratified by the people. In practically all states amendments to the constitution must receive the sanction of popular vote; and one way of increasing the direct power of the people over legislation, particularly in the more recently admitted states, has been to include in the constitution laws regulating railway rates, bankruptcy laws and other matters which, as statutory laws, are usually left wholly to the discretion of the legislature.

To inaugurate the system of direct legislation various elements, such as the grangers, the reform leagues and the socialists, have lent their aid. But the group of men who have probably been most active in this agitation are

the trade unionists; and it is perhaps not too much to say that they form to-day the very backbone of the movement.

The attitude of the trade unionists is not difficult to explain. In the first place, they have been made sceptical of, if not hostile to the representative form of government by the tendency, as they would express it, of professional representatives to betray the interests of the laborers and to become mere tools of the capitalist class. At the same time their own success with the referendum in the internal affairs of their organizations has naturally made them enthusiastic advocates of its adoption by state and municipal governments. Some of the older American trade unions have, indeed, been experimenting with the system of direct government for the last thirty years. At the present time perhaps eighty out of the one hundred and twenty-five national unions in America make at least some use of the referendum. Not only amendments to the so-called constitution and general laws, but applications of local unions to declare a strike and even judicial decisions of the general executive board are submitted to a vote of the membership.

The attitude of the union may be illustrated by a quotation from the *United Mine Workers' Journal*. In 1905 the miners of District 2, Pennsylvania, and the Pennsylvania Federation of Labor adopted resolutions in favor of the initiative and referendum. Speaking of these resolutions, the *United Mine Workers' Journal* says: "It is the beginning of a movement to restore to the people the sovereignty which has been insiduously, but surely, wrested from them, until now the people are but voting machines to register the will of political bosses, composed chiefly of corporation agents. The flagrant defiance of the will and demands of the people is not even apologized for, nor is any explanation given, and those chosen as servants have by gross usurpation become masters."

"Next year," the article continues, "will come a golden opportunity to the grangers and trade unionists of Pennsylvania. A governor and legislature are to be elected. Now is the time to begin preparations for the coming battle to restore to the people their rightful power to rule themselves. The *Journal* will from time to time attempt to arouse to their rights, powers and duties as American citizens those who have permitted this degrading state of affairs to flourish."

In the above quotation reference was made to the possibility of co-operation between the grangers and the trade unionists. In the struggle for direct legislation the trade unions have, indeed, sometimes joined hands with the grangers, and, where such a combination has taken place, success has usually resulted. It was the trade unionists, aided by the farmers, who secured the adoption of both the initiative and the referendum in Montana. It was the same combination of grangers and trade unionists which compelled the adoption of an advisory initiative and referendum in Texas.

The American Federation of Labor stands pledged by resolutions of several conventions to the inauguration of the system of direct legislation, and state and city federations in various parts of the country have worked strenuously for its adoption. Of these struggles, the agitation waged recently by the labor unions of Massachusetts for the adoption of the initiative and referendum in that state is more or less typical. This movement was started in Boston about 1900 by the Boston Central Labor Union. From thence, it spread to other parts of the state. Finally, in 1903, six hundred and seventy-four unions petitioned the legislature to submit an amendment to the people embodying the initiative and the referendum. Numerous secretaries of local trade unions and labor federations wrote to their representatives, and committees from various organizations waited upon members of the legislature, urging them to support the measure. The



bill, while it secured a majority vote, failed to poll the necessary two-thirds. But the vote stood one hundred and twenty to eighty-two, and, in no wise discouraged, the unions have continued the agitation.

The method of questioning candidates which has been employed by the American Federation of Labor since 1901 for securing laws favorable to the workman has also been successfully used by them in the fight for direct legislation by the people. Candidates for election to the state legislatures have been questioned, and under the threat of defeat have pledged themselves that, if elected, they would vote for an amendment embodying the principle of the initiative and referendum. It was the method of questioning candidates which made possible the adoption of direct legislation in Montana. It was largely due to the efforts of the trade unionists in questioning candidates that the legislatures of Missouri and Delaware were induced to submit to a vote the question of introducing the initiative and referendum. In Ohio as a result of the widespread defeat of those candidates to the legislature who opposed the initiative and referendum, the Senate was induced to vote in favor of submitting an amendment embodying that system of government to the people. This amendment was referred to the House and will be voted upon at the session of 1908. In Toronto, Can., and various cities in the United States, the system of direct legislation has been installed primarily as a result of the questioning of candidates by organized labor.

The weight of the trade union influence added to the votes of other radical citizens who have become convinced that representative government has degenerated into a plutocracy of wealth seems to indicate that direct legislation through the initiative and referendum will be the most important "next step" in American political reform. One considerable obstacle to the movement looms up, however. The Federal constitution declares that "the United States shall guarantee to every State in this Union

a republican form of government"; and it is thought that under a strict interpretation of this clause the method of the initiative and referendum might be declared illegal. Recently, the Superior Court of California held that a provision for the initiative and referendum in the charter of San Diego, Cal., was unconstitutional on the ground that it was "opposed to the underlying principles of government in the United States. Government by the people through their chosen representatives is," the court declared, "the foundation stone of the republic." But no case has, as yet, been brought before the United States Supreme Court, and until then the question must remain undecided.

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## CONCERNING THE DISTRIBUTION OF FREIGHT CARS

BY LOGAN G. MCPHERSON

In the great channels of traffic the great staple commodities move in train loads, raw materials to the mills, and finished products from the mills to the distributing centres; foodstuffs from the sources of supply to the distributing centres. Radiating from the distributing centres are trains composed of cars, some laden with this commodity and some with that, while a minor number of the cars may be each laden with a variety of commodities. This loading of various commodities in the same car is conspicuous in the case of local freight trains that go from station to station, unloading at each the small shipments consigned to it.

Thus a main traffic channel is broken up at a principal distributing point into secondary channels which, through the retail dealers, are broken up into yet smaller chan-

nels, just as the great artery of the body breaks into secondary arteries that split again into smaller arteries. The course of the blood of the body, however, is always in the same direction, through the same arteries, and the volume of the blood is substantially the same day after day; while the great traffic channels of the United States extend in various directions, crossing and recrossing.

The volume of the commodities varies from week to week, from month to month, and from year to year as there are variations in supply and demand and fluctuations in production due to divers causes.

A simple deduction from these conditions would seem to be that the railroads at all times should have enough cars to move all of the commodities that may be offered to them. If, however, they should have enough cars to promptly transport the maximum amount of traffic that may be offered at a time of maximum shipment, a large proportion of their cars would be idle at other and considerable periods. This applies to different months of the year and to different years, being most striking when a period of depression is contrasted with a period of prosperity. For example, in 1897, roughly speaking, the railroads of the country had about twice as many cars as they needed. Toward the close of 1898 every car was busy, and two years later there was a marked car shortage which continued with but little intermission until October, 1907, although the number of cars was increased year by year practically as fast as the car factories could turn them out. Three months later, in January, 1908, nearly 350,000 cars, fifteen per cent. of the freight cars of the country, were idle.

In the early days the box car and the open flat car answered every purpose. Then came the car with slatted sides for live stock. Now there is not only the ordinary box car, but different kinds of box cars fitted with different appliances for different kinds of traffic. The open car is both of the flat bottom and the drop bottom variety, the

latter for the dumping of coal and ore. There is the refrigerator car for dressed meats and some kinds of fruit and vegetables, and other cars that are especially heated for use in cold weather. Every station agent has instructions as to what kinds of commodities may be loaded in this car and what kinds of commodities may not be loaded in that car.

That it is not always an easy matter for the railroads to distribute their cars in accordance with the demands of traffic may be instanced by one example of many. In the summer of 1907 the Pennsylvania Railroad Company was advised that the peach crop of the Delaware and Maryland Peninsula would require five hundred cars. That number was fitted with the racks required for peach crates, but by the time they were ready a turn in the weather had reduced the peach crop, which at the best had likely been overestimated, to but little more than fifty cars. All the time that these cars had been assigned for what must necessarily be a prompt movement of the peach crop, they could have been used to excellent advantage in the grain movement.

If the traffic currents of the different commodities moved at regular periods one year after another it would be difficult enough to provide just the right number of cars at the right time and move them promptly, but when, as happened a year or two ago, because of strikes, unfavorable conditions of the weather and other reasons, the great crops of grain, an unusual tonnage of bituminous coal and extraordinary quantities of merchandise all pressed for shipment at the same time, and fruits delayed in ripening demanded to be hauled to the markets before they perished, the already badly hampered railroads were simply overwhelmed.

The railroads endeavor to obtain as accurate information as far in advance as possible of the demands that, from various sources, may be made upon them. As the grain is ripening on the western fields the station agents



along the various railroad lines send frequent reports of its condition to the general offices, and men of experience are periodically sent out from these general offices to go through the grain territory. Upon the information thus obtained the western railroads estimate the number of cars that probably will be required, and endeavor to collect and store them on side tracks in the regions until they are needed. The movement of meats, poultry, butter and eggs is more nearly regular and the car distribution can be made with a greater degree of certainty.

The greatest difficulty, however, in estimating and arranging the car supply, as has been intimated, is in connection with the quickly perishable foodstuffs. The situation is much the same, for example, in Florida and the Carolinas, whence the Atlantic Coast Line brings the early berries and the early vegetables, and in the Georgia fruit lands, whence the Southern Railway brings the melons and the peaches to the north. Although representatives both of the railroads and of the private car companies go through the fields and the orchards two or three times during the growing period, havoc may be wrought with their estimates by the vagaries in which the weather indulges oftentimes with but short warning, and by the various parasites that apparently spring into existence over night and wreck devastation throughout the acres. Upon the estimates obtained by those men not only do the railroads and the car companies plan the distribution of cars, but they arrange necessarily weeks ahead for the purchase of an adequate amount of ice for the refrigeration and its shipment from the north to the various icing stations along the different routes. The makers of the crates, boxes and other kinds of packages also await the estimates of these men, before engaging the lumber and the labor necessary to run their mills, upon the kinds and quantities of packages which the fruit and vegetable growers will require.

Thus it happens that refrigerator cars by the hundreds are sent to the south, "parked" in the yards and stored on the side tracks that are often built directly into the orchards and the truck farms. When the picking period arrives the orchards and the fields swarm with workmen. The cars are iced and loaded as rapidly as possible. Then they are concentrated at certain central points, the fruit, for example, at Atlanta, the vegetables at Rocky Mount. Here the cars are formed into trains that are run on quick schedules especially inaugurated for this service.

In the truck farms and orchards in Virginia, in Louisiana and Mississippi, in New York and Michigan, in the truck farm and poultry farms in Texas, in the orchards and melon lands of Missouri and Arkansas the problems are much the same and their solution is along much the same lines.

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## UNION AGREEMENTS FOR THE REGULATION OF THE USE OF THE LABEL

BY ERNEST R. SPEDDEN

The use of the label may give rise to jurisdictional disputes between trade unions. When the members of the unions are engaged in the manufacture of the same class of goods, the use of the label on the product may become an issue between the unions and may lead to serious consequences. To avoid such difficulties agreements have been made between trade unions for the use of the label.

The agreement between the Journeymen Tailors and the United Garment Workers tentatively entered into on October 9, 1903, at a conference in Washington between the representatives of the two organizations, illustrates

an experimental rather than a definitive attempt to adjust a jurisdictional difficulty between the two unions arising from the fact that members of both unions work upon the same class of goods.

By the terms of this agreement each union agreed not to boycott any clothing bearing the label of the other organization. The jurisdiction of the unions was determined on the basis of the selling price of the product. "Workmen engaged in making custom clothing for merchant tailors, either under the Journeymen Tailors' idea or by factory system, the selling price in the United States for such clothing shall average \$25 and in Canada \$18, these workmen shall come under the jurisdiction of the Journeymen Tailors' Union; while those workmen engaged in custom work under the factory system for merchant tailors in the United States, and the selling price being below \$25 and in Canada below \$18 on ready made clothing, shall come under the jurisdiction of the United Garment Workers' Union of America. The label of either organization is forbidden to firms which make custom clothing under the factory system and do not own their shops."

The Journeymen Tailors and the Garment Workers were to use but one form of label on ready made clothing and overalls. The label of each branch of the trade was to be distinguished by a special stamp. The General Executive Boards of the two unions were granted the power to adopt proper means for identification of the two different uses of the same form of label, inasmuch as no agreement was reached at the conference between the officials of the two unions as to the exact form of stamp to be used.

Prior to 1903 the Shirt, Waist and Laundry Workers and the Ladies' Garment Workers were at odds regarding the use of the label of each organization. The American Federation of Labor decided in 1903 that all workers engaged in the manufacture of ladies' waists should belong to the Ladies' Garment Workers' Union, and the Shirt,

Waist and Laundry Workers were forbidden to charter such local unions. The Shirt, Waist and Laundry Workers refused to abide by this decision, inasmuch as both parties in interest had not been consulted prior to the rendering of the decision by the American Federation of Labor. At the 1903 convention of the Shirt, Waist and Laundry Workers a resolution was passed to the effect that the Shirt, Waist and Laundry Workers should include cutters, washers, operators, folders, starchers, pressers, hand and machine ironers, receivers or deliverers, etc., and all employes in shirt and waist factories and in old work or custom laundries.

In 1904 the Ladies' Garment Workers and the Shirt, Waist and Laundry Workers made an agreement providing that employes in factories making both shirts and ladies' garments were to form themselves into their respective unions and each international union was to issue its label through its respective officers. All houses using the label of the International Ladies' Garment Workers' Union on washable goods were to have them laundered by members of the Shirt, Waist and Laundry Workers' Union. In cases where a factory produced both shirts and ladies' garments the employes were to organize themselves into their respective unions, if they were strong enough to support a union, but if they were not able to organize strong local unions, the proportion of the product, whether shirts or ladies' garments, was to determine the form of organization to be established; whether the factory should come under the jurisdiction of the Shirt, Waist and Laundry Workers' Union or under the control of the Ladies' Garment Workers' Union.

The Shirt, Waist and Laundry Workers and the United Garment Workers were drawn into a dispute regarding the use of the label. Members of the two unions were employed on work which might reasonably be performed by members of either union. In 1904 the two organizations realized that some steps must be taken looking to-



ward the settlement of the dispute arising from the placing of two labels on the same kind of goods. The classes of work on which the members of the two organizations were engaged overlapped only in part, and because of this fact the Laundry Workers resolved to relinquish any attempt to control the Garment Workers engaged in making shirts, if the Garment Workers would agree to aid in unionizing the laundries of the shirt factories. Nothing definite resulted from this resolution. Later in the year terms of agreement were entered into based upon a decision of the American Federation of Labor. The wage scale of the United Garment Workers was made the minimum for shirt factories using the label of the Shirt, Waist and Laundry Workers. On shirts only the label of the Laundry Workers was to be used and on overalls only the label of the Garment Workers.

The nature of the product determined which organization was to have control in what were known as "composite factories," i. e., those making both overalls and shirts. All factories making overalls exclusively were to come under the jurisdiction of the Garment Workers, and those factories which made shirts exclusively were to come under the control of the Laundry Workers' Union. In those factories which made both shirts and overalls the proportion of the product was to determine the jurisdiction of the two unions therein, as follows: If 51 per cent. or more of the product was overalls, the control of the employes of the factory went to the United Garment Workers, and vice versa, if 51 per cent or over of the product was shirts. The General Executive Boards of both organizations were empowered to investigate the sanitary conditions and the price lists of all factories applying for the label of either organization and engaged in the manufacture of both shirts and overalls.

In reference to membership in either union, sec. 6 of the agreement provides as follows: "Should a member of one organization secure temporary work in a composite

factory of the other organization their membership cards shall be recognized for a period of three months. If, however, a member remains in said factory over that time he shall join the organization having jurisdiction over said factory, subject to the local by-laws in that city where such application is made."

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## THE STANDARD RATE IN THE GARMENT WORKERS

By D. A. McCABE

The chief points of interest in the adjustment of the standard rate are grouped about the form of the rate and the area over which the same rate applies. The determination of the form of the rate in itself involves several important matters of trade union wage policy. Among these the following invite special consideration: (1) the basis of payment adopted, whether piece or time; (2) the form of the time rate (if it be a time rate), whether a flat minimum rate or a graduated scale providing different minimum rates for different kinds of work or classes of workmen; (3) the degree to which the form of rate adopted secures differential wages according to skill, and (4) the relation between the competency qualifications for membership and employment at the standard rate. A brief discussion of these points in outline as they appear in the experience of the United Garment Workers, a union covering a trade broken into many dissimilar parts by advanced division of labor, may be suggestive of the lines along which a similar treatment ranging over the general trade union field would run.

The extensive jurisdiction claimed by the United Garment Workers of America over a trade of such composite

character as the manufacture of "ready made" men's clothing results in the inclusion within one organization of several distinct groups of workers, each potentially a separate union. There are at least three such groups, the shirt and overall workers, the cutters and "trimmers" (cutters' assistants), and the "tailors." The different nature of the garments and materials on which they are employed, and the fact that they are almost exclusively women make the shirt and overall workers a class apart from the makers of ordinary clothing. The cutters, as a body, are more homogeneous, better paid and longer organized than the makers of the clothing, with whom they have no necessary personal connection. The occupation of "tailoring" has in fact but recently emerged from the sweat-shop stage, and is even yet largely carried on under the contract system, whereas cutting has always been done in the factory.

In the making up of clothing, division of labor has been extended very far, even to the specialization of occupation in the making of a single garment. Coat makers are distinct from pants makers, vest makers, and knee pants makers, and in the making of a coat, operating, finishing, basting, and pressing are distinct occupations. Except in the making of fine clothing and the making of garments to special measure, operating, finishing, etc., are in the larger centers still further sub-divided, each worker confining himself to operating, finishing, or pressing a particular section of the garment. The introduction of this "section" system has enabled the employer to utilize on parts of the garment workers of comparatively little skill and of brief acquaintance with the work. This stage has been reached in the overall branch also. In the face of this condition the union cannot insist on a prescribed time of service in these branches as a condition of admission, but admits the workers as it finds them. It thus provides itself with a membership varying widely in skill. The problem of the determination of the standard rate is for

the United Garment Workers, therefore, one of framing scales of wages for a large number of workers in many different occupations, and, in some of these, differing greatly in proficiency.

The problem of adjustment is very much simplified by the practice of organizing members into separate locals, wherever numbers warrant it, according to the branches of the trade followed. The overall workers and the cutters and trimmers almost always have their own locals. Within the tailoring branch there is division according to garment, and among the coat tailors in the large cities, according to the work done on the garment. In New York, for instance, there are separate locals of overall workers, cutters and trimmers, special order workers, pants makers, vest makers, knee pants makers, children's jacket makers, children's jacket pressers, (and on coats) operators, finishers, and pressers. In the pants makers' and vest makers' locals there are sub-locals for pressers. This division into locals according to the kind of work done, though not due originally in each case solely to a desire to give each branch or sub-local of the trade control over its own wage questions, has in practice that effect. Even where paucity of numbers forces the workers at one branch of the trade into a "mixed" local with one or more other branches, the tendency is to regard the followers of each branch as a separate body for purposes of wage determination.

It is the individual differences in skill within the same branch of the trade that make collective bargaining for wages so difficult. The piece system naturally offers as a method of payment which adjusts wages to efficiency where the product is capable of definite measurement and each unit represents labor expenditure of the same quantity and quality. Many unions, however, object to payment according to product, as tending continually to increase the amount of product required as a normal day's work for a stationary average daily wage. The United



Garment Workers is one of these unions. For years its constitution has declared that it is the policy of the union to substitute a system of week work for piece work. As a matter of actual practice the piece system remains the prevailing and officially recognized system of payment in the overall branch and among the pants and vest makers. It is often accepted, too, by the pressers, and by the coat makers generally, where each worker operates or finishes the whole garment. In at least one case, that of the St. Louis tailors, members who had given up the piece for the time system returned to the former after a few months. Among the Lithuanian tailors the piece system regularly obtains in the guise of a percentage system, under which each operation calls for a particular percentage of the price obtained by the contractor for the garment.

This open retention of the piece system by the union in some of its most strongly organized branches, in spite of its declared opposition to it, is due primarily to the preference of the members for that system. The pants makers and vest makers favor the piece system as against the day system because of the greater freedom it allows the workers, and the opportunities it gives of earning large wages in the periods of rush to offset the scant earnings of the dull seasons. The percentage system among the Lithuanians is an instance of persistence in a racial custom which the national officials discourage but do not feel able at the present time to prohibit. In the shirt and overall branch the simple character of the garments and the close adherence to certain uniform types make the piece scale easy of adjustment, and the hold which the label gives the union over the manufacturers removes the fear of price cutting. Most of the women workers prefer the piece system.

A system which is nominally a day system but which embodies one feature of payment by piece, to the disadvantage of the worker, is the "tasks system." The task

is a definite quota of work to be performed each day, and unless the six days' tasks are finished at the end of the week the weekly wage is reduced in proportion to the worker's arrears. Fear that week work means task work is one of the chief reasons for the preference of many members for the piece system. The union has fought the task system bitterly, and has succeeded in abolishing it very widely in its cruder forms, yet the members still feel its presence. President Larger in his report to the 1902 Convention expressed this sentiment, "After all, we find ourselves working piece work (where so-called week work prevails) and giving our employers the benefit of it, and the men who do the most work have the steady positions." In many cases the members have fought back, and the local union, or more frequently the shop crew, has set a limit of output for day workers. This form of restriction was at one time rather common among the cutters, notably in New York, Philadelphia, and Rochester. The coat makers in Baltimore used to limit the number of garments to be worked for the minimum rate of wages, and additional work could be done only if additional pay were given. These regulations introduced a piece system feature in a nominal time system to the advantage of the employee. The national officers have steadily opposed the imposition of such restrictions on day workers and have often expressly repudiated them in agreements.

The placing of a limit on the amount of work which may be done in a day or week by the individual worker under the piece system destroys the differential wage feature of piece payment beyond the point of limitation, and is in effect the setting of a maximum wage. The imposition of a permanent maximum is usually an arrangement of the shop crew or a custom of the trade in that locality, rather than an open rule of the union. The Boston cutters have made the maintenance of such a maximum a feature of their piece system. Much more common are temporary restrictions on the amount of

work to be done by any individual, imposed during dull times with the intention of securing an equitable division of the work among the members of the union. Provisions for limitations of this character are often inserted in agreements.

If the standard rate is to be on a time basis, the important consideration is that it shall not be placed so high as to exclude a large number from employment under union jurisdiction or so low as to leave the more efficient members too far dependent on individual bargaining for their actual wages. The wider the differences in skill between members of the same local, the more difficult is the adjustment. So far as these variations correspond to differences in the kind of work done, they can be provided for by the maintenance of separate minimum rates for each kind. Thus the cutters' locals almost invariably have distinct scales for cutters and trimmers. Where the trade of the cutter has itself been subdivided, different rates for each class of cutters are commonly maintained. The scale of the New York and Brooklyn cutters calls for a \$20 minimum for markers and a minimum of \$24 for long knife cutters. In St. Louis the 1904-05 scale was \$18 for knife cutters, \$20 for markers, and \$24 for machine cutters. The division in Buffalo is on a different basis, special order cutters being rated at \$18 and stock cutters at \$20. Among the coat makers there is usually more than one scale for operating, basting, finishing, and pressing. In New York, for instance, there are three scales for operators (second assistant operators \$10, first assistant \$16, operators \$18), two for basters (assistants \$13, baster \$17), two for finishers (assistants \$12, finishers \$14), and four for pressers (under pressers \$9, edge pressers \$12, second grade 15, first grade pressers \$18). In each case the class to which the worker belongs is determined by the part of the garment on which he works, not by the proficiency with which he does the work given him. The division into classes, according to skill, of

workers doing similar work, for the purpose of setting different rates for each class is not practiced.

Collective bargaining by the locals for time wages goes no further than the establishment of minimum rates. If a member wishes to stipulate for a wage above the minimum he must make it a matter of individual bargaining. What effect the determination of the minimum has upon the wages of those members of superior skill who would ordinarily obtain more than the average rate of wages, it is difficult to ascertain exactly. Employers incline to the view that the minimum rate is also to be a maximum rate, and consequently are averse to going above it in individual cases. This opposition to paying more than the rate on the part of the employers and the inertia of many of the better workmen undoubtedly have an influence towards making the minimum rate the wage actually paid. On the other hand, the superior workman retains the same margin of superiority over the average that he had before, and under competitive conditions can ordinarily force the old differential from his employer. Restriction of output may, by preventing the better workmen exceeding the average output, keep wages down to the standard rate where superiority is reflected only in output, which is very infrequently the case. As a matter of fact many workers do get more than the minimum rate, how many it is impossible to say without a detailed study of individual wages. Moreover, many workmen who receive but the minimum rate in money wages obtain a differential in net advantages, for example, steadier employment, extra time with "time and half" or "double time" pay, more agreeable work. Sometimes a local, instead of increasing the minimum and leaving the matter of differential wages to individual bargaining, will secure a certain percentage advance for all.

The effect of the maintenance of a minimum rate on the least efficient members of the trade, inside the union and without, is also difficult of exact determination. There



are unquestionably very many non-union workers in the time scale branches who receive less than the union minimum rates for the same kinds of work, but it is impossible to say what proportion of these are automatically excluded from the union by the fixing of minimum rates. The ability to command the rate is the only practical test of competency enforced for admission to any of the time branches. There are members who are unable to obtain the minimum regularly, who are the last to be taken on in times of brisk demand and the first to be discharged when the working force has to be reduced. The minimum will thus operate to keep these, the least competent members, from regular employment, unless the union allows them to work for less than the minimum rate, or refuses to permit the employer to discriminate between union members in hiring and discharging. But the local unions will not, except under exceptional circumstances, allow a member to take less than the minimum rate unless he be an old man of long-standing membership. Neither is it the approved union policy to interfere with the employer's right to hire or discharge. This is felt to be an essential right on his part, if he is to be the judge of the competency of his workmen. There is great jealousy of this power of the employer in many quarters, members fearing that it may be used in discrimination against workmen of known activity in union affairs. Locals have at times assumed the right to decide whether discharged members were competent to retain their places, and have called strikes to force their reinstatement. The national officials have repeatedly denied the claim of locals to this right, and on one occasion suspended a local of New York pants makers for a strike of this kind continued in defiance of their veto.

The area over which particular rates apply varies from the shop to the nation. Time rates are usually the same for the same grades of work for all shops in the locality.

Piece rates, from weakness of the local union, or from differences in styles of garments or conditions of work, must sometimes vary from shop to shop. More often a uniform list of prices for the locality is drawn up and only the variations to meet minor points of difference are settled for each shop separately. The piece rates for vest makers and pants makers in the New York district are adjusted in this way. The price list for the shirt and overall branch is a national one. It is approved by the general convention, and then accepted in final form by representatives of the union and of the employers' association after a joint conference. The cutters have a national minimum of \$18, established by resolutions of the general convention, but it is not strictly adhered to by all local unions. In the tailoring branches there is a wide dissimilarity in rates in different localities. Complaints are frequent from cities in which the higher rates are maintained of the competition to which they are subjected from places in which the same work is done by union members at lower rates, but as yet the movement for a national minimum scale has not passed the stage of exhortations and resolutions from these locals. The national union has the right of veto on all local scales and may in time use this power to force a levelling up of rates throughout competitive areas.

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## THE CLOSED SHOP IN THE GRANITE CUTTERS' INTERNATIONAL ASSOCIATION OF AMERICA

BY F. T. STOCKTON

The principle of the closed shop, as understood in the granite industry, requires that every workman or journeyman in any yard or shop, employed at any branch of the trade, shall be a member of the Granite Cutters' Interna-

tional Association of America or shall be both willing and eligible to belong to that organization. If, then, a man enters a union yard and is not a member of the union, he is required to join after working in the yard a certain period.

The closed shop is directly opposed to the non-union shop where only non-union men are employed. Mid-way, apparently, is the open shop where both union and non-union men are employed. The Granite Cutters to-day, however, are as much opposed to the open shop as to the non-union shop. The open shop, they declare, is but the first step toward the disintegration of the union and leads directly to the final destruction of the union in the completely non-union shop.

Notwithstanding the fact that the Granite Cutters advocate the closed shop as a basic principle of unionism, in its inception the closed shop has been a policy rather than a principle. At times when it would have been impracticable for the union to enforce the closed shop, the branches have been compelled to draw up agreements with employers regulating the conditions for union men but allowing the employer the privilege of hiring non-union men. But as the branches grew stronger they were practically all able to wipe out the "no-discrimination" clause and provide that only union men be employed. Not until 1902 did the large Boston branch secure this concession from the Boston Manufacturers' Association.

At present the Granite Cutters have succeeded in "closing" the great majority of the larger shops in the United States and Canada, the latest available statement giving the names of about 1,000 yards as being strictly union. Great difficulty, however, has been encountered in unionizing the smaller yards, especially those making monuments. These small yards usually take work at so low a rate that it is impossible for the proprietor to pay the union scale. Again, where the owner of the yard is doing most of the cutting, there is obviously little reason for

him to pay the union dues and be subject to union restrictions since he receives no benefit in union wages or hours. Moreover, in strict union practice Granite Cutters are not allowed to work on marble unless they hold a card in the Marble Workers' Union, while most monument shops require men who will and can cut both marble and granite without union scruples. This condition, also, naturally works against the unionizing of such yards.

In addition to what might be called the "simple" closed-shop policy of the Association in requiring all the men in one particular yard to be union men, the Granite Cutters have been trying to extend their practice to the extent of refusing to work on any job on any part of which non-union men are employed. This is attempted especially in the case of stone from non-union quarries and yards, but there is also considerable agitation against union yards cutting stone which later goes to be finished in non-union yards in other localities. If such a policy could be carried out it would greatly hasten the "closing" of practically all the independent shops in the industry. Western firms, especially, which claim they can get abundance of granite from fair Eastern firms, would be compelled to unionize their shops in order to get enough granite wherewith to carry on their business.

The means taken to enforce the closed shop by the Granite Cutters are practically the same as those taken by other unions. Every man must be able to present to the shop steward, on demand, a clear card, showing dues and fees paid up to date. Newcomers are usually required to make a deposit or sign a pay-over slip to insure good faith provided they fail to bring their cards with them. Naturally, much responsibility for the closed shop depends upon the shop steward and if he is an efficient officer the union's policy will be well sustained. A system of fines and penalties is also in use to prevent union men from working in non-union shops and to compel observance of the shop rules.



The Granite Cutters, in common with many other trade unions, consider that the closed shop must be a definite part of their policy because collective bargaining with the employer can have force and stability only so long as the same conditions are agreed to by, and are made for every man employed in a certain shop or yard. In other words, the union or closed shop is a more efficient instrument for obtaining the will and claims of all the workmen than is the open shop.

For this increased efficiency there are apparently two reasons. In the first place, every man actively employed in the yard is responsible, as a union man, to his union and will be punished if he fails to live up to the agreement. Fines and the blacklist tend to keep the journeymen loyal. A single non-union man in the shop, however, who is not bound to an organization, might easily defy rules and agreements and thus afford a disastrous example to the union men. In the second place, if the employer wishes to violate his agreement with the union he has a far more serious problem to face in the opposition of all his employes than in that of only a dissatisfied part. The closed shop by the mere intensity of the blow which it can strike, by its united and organized stand, is able to secure better conditions than the open or non-union shop where individual contract usually prevails. The closed shops of the Granite Cutters, therefore, through their shop rules and agreements are able to control a wide range of conditions such as the use of machinery, sanitary regulations, wages, hours of work, etc., while in non-union yards the trade has no control over such affairs.

More particularly, however, the union considers that the vital thing to be secured by enforcing a closed shop is a restriction of the number of apprentices. Every year large numbers of Scotch, Italian and Spanish cutters emigrate to America and at once enter the different yards. American cutters at best seldom work steadily for more

than nine or ten months during the year and consequently foreign immigration is a cause for apprehension.

To meet this problem the union resorts to the closed shop where, by strict apprentice laws, the number of men and boys entering the trade can be controlled. Most locals fix the apprentice ratio at one apprentice to a gang of eleven or twelve men; while in the open shop and non-union shop almost any ratio may prevail, but it is always much below that of the union shop.

Attempts have been made to discourage the foreigner by high initiation fees, yet each year he comes in increasing numbers. To refuse him membership would drive an army of cheap labor into the market where it would resort to "scabbing" as experience has shown. Therefore, the only resort of the union, if it cannot restrict immigration, is to take in the foreign element, keep up their scale of wages and then debar to a large extent the native apprentice.

Employers have often made the complaint that the apprentice restriction policy of the union creates a shortage of men in the busy spring and summer seasons, but the union still maintains that without some limitation upon the number of men entering the trade, foreign immigration and slack winter work would sooner or later result, through greatly increased competition, in a rapid deterioration in the wage and in the standard of living.

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## THE BOOT AND SHOE WORKERS AND CONVICT LABOR

BY A. O. MULLEN

There were in 1905—according to the latest statistics published—1,316 factories in which boots and shoes were manufactured. In these establishments there were em-

ployed an average of 149,924 wage earners, who earned in wages, \$69,059,680 and the value of whose products, including custom work and repairing, amounted to \$320,107,458.

In 1903-04, according to the report made by the Commissioner of Labor in 1905, there were employed in this industry 5,795 convicts whose products amounted to the market value of \$8,527,599.90. According to the same report, "so far as the value of product is concerned," boot and shoe making is the leading convict industry. Boots and shoes constituted 24.9 per cent. of the entire product of convicts engaged in all industries in prisons whose products exceeded \$1,000 in values during the year preceding the investigation. It might naturally be expected that the Boot and Shoe Workers' Union would have given the problem of convict labor considerable attention and such has been the case.

The Union has repeatedly expressed itself as opposed to the employment of convicts in the making of boots and shoes. The writers in the *Boot and Shoe Worker*, the official organ of the union, declare with unanimity their belief that the competition of convict labor lowers the wages of the free workers. Especial emphasis is laid on the hardship worked in those cases where entire factories have been removed into penitentiaries. But entirely apart from the temporary effects due to an increase in the amount of shoes made by convicts, the editorials in the *Boot and Shoe Worker* advocate the diversion of the labor of convicts from the boot and shoe industry.

A large percentage of this competition seems to be in the Western States, where probably more prison-made shoes, etc., are marketed than in the Eastern States. This is not due so much to the fact that there are more shoes made in the Western penitentiaries than in the Eastern but because a large quantity of those produced in the Eastern prisons are shipped to the Western markets. In addition to this disturbance in the wholesale markets, there is

a corresponding amount of competition found among the retailers. It is complained by the Union that the competition is increased by the use of a few union-made shoes as a leader to dispose of prison goods. There is some competition also due to the fact that while prison shoes are almost always of a lower grade of workmanship, they are not infrequently composed of a better grade of material. This is due to the fact that labor is cheaper in prisons and the prison manufacturer can to some extent at least, make up in quality of material what he loses in workmanship.

The policy of the Union is to discourage as much as possible the purchase of prison-made goods. At the Boot and Shoe Workers' Convention, held in Rochester, N. Y., in June, 1899, an admonition against such purchases was made a part of the ritual in the "Order of Business in Local Union Meetings." At a designated time the President of the Local addresses the body as follows: "Members should ever keep in mind their pledge to use their purchasing power and influence in behalf of Union Stamped Boots and Shoes and all other Union Label products. If we would build up our own Union, we must refuse to purchase the product of non-union and prison labor in any trade, thus placing ourselves in a position where we have a right to demand similar support from other Unions."

The aggressive label agitation of the Union is directed quite as much against prison-made shoes as against those made by non-unionists. The label is urged as the only safe method at present in use of distinguishing the union from the non-union product. All prospective purchasers are warned against goods not bearing it, and everywhere trade-unionists are urged to require it as their only safeguard from prison-made or any other goods except union-made. In 1900 a "systematic campaign of advertising" was conducted "throughout the United States and Canada, serving notice on the retail shoe dealers that shoes



not bearing the Union Stamp were either prison made, or made by non-union labor." This method of endeavoring to protect the Union against prison-made goods has been urged with greater or less energy ever since.

Various attempts have been made by the Union to secure the enactment of legislation requiring that prison-made goods should be distinctly marked. In 1896 the Union passed the following resolutions: "Resolved, that we, the delegates of the Boot and Shoe Workers' Union, in convention assembled, do hereby most respectfully petition the Legislature of this State to pass a law requiring all such goods to be stamped "Prison Made!"

The best means of averting such competition would of course be the enactment of legislation prohibiting the employment of convicts at boot and shoe making. The Boot and Shoe Workers, judging from the numerous letters on the subject in their Journal, do not desire that convicts should be kept in idleness. The plan usually urged is the employment of convicts in other industries, principally the making of state and county roads. They feel that this and kindred occupations offer a field in which the competition of convict with free labor will be reduced to a minimum. Many of the writers argue that the Union should agitate the subject among the farmers, who, they believe, would highly favor such a plan. An editorial in the *Boot and Shoe Workers' Journal* for August, 1902, sets forth this plea: "Building new highways is the minimum competition and when the State does this work the contract system is at once abolished. It is clear to all students of this problem that the employment of convicts on road building is the very best remedy so far."

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## LABOR LAWS IN MARYLAND

BY H. WIRT STEELE

The volume of labor legislation in Maryland is comparatively small, although some statutes primarily affecting workingmen were enacted as early as the latter part of the eighteenth century. About the middle of the nineteenth century a notable increase is observable in the number of bills affecting labor. Thus in the early fifties several attempts were made to secure the passage of a ten-hour law. Since 1884 labor has received increasing attention at the hands of the legislature.

The greater part of the existing labor legislation in Maryland may be classified under the following heads: (a) the regulation of working hours; (b) sweat shop legislation; (c) sanitary and safety legislation; (d) provisions for the examination and licensing of certain classes of workingmen; (e) child labor legislation; (f) the law for the establishment of a State Bureau of Labor Statistics.

(a) Although no attempt has been made since 1854 to establish a general working day by legal enactment, a number of statutes have been passed applying to certain classes of persons or to particular industries.

A telegraphers' eight-hour law makes it unlawful for any railroad company to permit a telegraph operator employed in spacing or dispatching trains under the block system to work more than eight hours in any twenty-four consecutive hours. The law exempts railroads running less than eight passenger trains a day each way, unless an average of twenty-eight freight trains pass each way each day.

In 1892 the employment of children under sixteen years for more than ten hours was prohibited in any manufac-

turing business in the state or in any mercantile business in the city of Baltimore.

Street car employes may not work more than twelve hours. While this law refers in terms to horse car companies, it has been construed to apply to street car companies, whether they employ horse power or electricity. The act also prohibits the making of special contracts under which certain employes might be worked longer hours.

A bill was introduced in the legislature in 1868 limiting the hours of work of cotton and woolen mill operatives, but it failed to pass the Senate, and was not formally enacted into law until 1884. This law provides that mill owners may not require more than ten hours for a day's work, except in defined emergencies, but is weakened by a clause which permits employers to make special contracts with male operatives over twenty-one years of age to work by the hour, compensation to be agreed upon between operator and operative.

In 1884 a law was passed limiting the working day in coal mines to ten hours, fixing the time of beginning work at seven o'clock A. M. Two years later a penalty of fifty dollars for each offense was attached to this law. This law also permits special contracts, by which miners may work overtime, receiving extra pay for all over ten hours.

An ordinance of the city of Baltimore provides that nine hours shall be the working day of all mechanics and laborers employed by the Mayor and City Council, unless the number of hours shall have been fixed at less than nine hours. This ordinance does not apply to employes of the Fire Department, Bay View Asylum, or the City Jail. An effort to reduce this working day to eight hours by legislative enactment failed in 1906.

(b) The legislature in 1894 passed a sweat shop law, which provided that factories, or work shops should be kept clean and not overcrowded. Clothing manufacturers are required to provide against the transmission of dis-

ease, and any officer of a corporation or any individual who permits garments to be made in a place or under conditions involving danger to the public health with his knowledge, shall be imprisoned from sixty days to a year and fined not exceeding one thousand dollars. The law requires that each room used for manufacturing purposes shall contain four hundred cubic feet of air space to each operative, and shall be kept at a temperature below eighty degrees Fahrenheit, no person with an infectious or contagious disease shall be permitted to work therein, and debris and dirt must be removed at least once in every twenty-four hours. The room must be well ventilated and lighted, and no tenement room may be used by more than the immediate family for the manufacture of coats, vests, trousers, knee-pants, overalls, cloaks, hats, caps, suspenders, jerseys, gloves, waists, waistbands, underwear, neckwear, furs, fur trimmings, fur garments, shirts, purses, feathers, artificial flowers, cigarettes, or cigars. The same law provides for two deputies to the Chief of the Bureau of Statistics and Information who shall be factory inspectors. A permit is required before any building or part of a building may be used for the manufacture of the above enumerated articles. The employer or contractor is required to keep a list of names and addresses of all persons taking work to their homes, and the inspectors have entrance to any room where goods are manufactured.

(c) The state has enacted comparatively few laws intended to secure the safety and health of laborers while at work.

All steam boilers must be inspected by state inspectors, and the condition under which each boiler may be used are prescribed.

In 1898 the legislature passed a mine inspection law, which was amended in 1900. It applies to mines in Allegany and Garrett counties, and provides for one mine inspector for these two counties, and prescribes his



duties, setting forth minutely the conditions under which mines may be operated in safety. The legislature of 1904 amended this act by incorporating a penalty for its violation.

Stone miners in Carroll county are also protected by an act which provides that any mill for grinding flint or any other kind of stone by the cylinder or dry process shall be equipped with the most improved fans, ventilators and other appliances for removing dust, and subjects the offender to a fine of not less than five hundred dollars for each offence.

All scaffolding on buildings is to be inspected by the police of any city or town in the state upon complaint. If they find the scaffolding unsafe, the police are required to post a notice thereon to that effect and to notify the owner of the building, who is required to have the structures made safe.

(d) Maryland has not gone far in establishing legal tests of efficiency for workingmen. It does require that all plumbers must be examined and have a permit from the Board of Commissioners of Practical Plumbers. The board is appointed biennially and consists of three skilled plumbers from the city of Baltimore, the Commissioner of Health of Baltimore City and a member of the State Board of Health. This board was first created in 1886, and is empowered to make such rules and regulations from time to time as it may deem necessary and requisite.

Horseshoers in the city of Baltimore or in the Twelfth District of Baltimore county must be licensed by the Board of Examiners of Horseshoers, which consists of five members, one of whom must be a veterinarian, two master horseshoers and two journeymen horseshoers, all doing business in Baltimore city.

In 1904 the legislature provided for the establishment of the Board of Barber Examiners for Maryland, to consist of two journeymen and one master barber, whose

duty it should be to examine and license applicants for certificates as barbers.

(e) In 1894 a child labor law was passed forbidding the employment of children under twelve in any mill or factory in the state, other than canneries, and exempting sixteen counties.

This law was amended in 1902 so as to forbid the employment of children under fourteen years of age in any manufacturing plant, except canneries, unless a child was the only support of a widowed mother, invalid father, or was solely dependent upon such employment for self-support. By senatorial courtesy nineteen of the twenty-three counties secured exemption from this law, leaving it in force only in Baltimore city, Allegany county, Anne Arundel county, Charles county and Dorchester county. No adequate provision for its enforcement was made, so that it remained practically a dead letter until 1906, when it was repealed and re-enacted with amendments, and its enforcement placed in the hands of the Bureau of Statistics and Information, which bureau was given six additional inspectors for this purpose. The law now prohibits the employment of children under twelve years of age in any gainful occupation except farm labor, but exempts all of the counties during the summer months. All children between twelve and sixteen years of age must hold a permit from the Bureau of Statistics and Information before they can go to work, and employers are required to post lists of all children of such age where they may be easily accessible to the inspectors. The bureau is required to secure proof of the child's age before granting a permit, and if documentary proof does not exist, then the bureau must require the health official having jurisdiction in the locality where the child lives to make affidavit that such record does not exist. The law also requires that the bureau shall ascertain that the child has a proper mental and physical development for the age claimed.

(f) A State Bureau of Statistics and Information has been in existence some twenty years. The bureau has been charged with the enforcement of the more important recent laws affecting labor, notably the sweat shop law and the child labor law. In cases of labor disputes, in which ten or more employees are concerned, the bureau is authorized to provide a court of arbitration and to publish its findings. In 1902 the bureau was given charge of the establishment and maintenance of a free state employment agency.

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The following are some of the recent publications in economics of The Johns Hopkins Press:

A TRIAL BIBLIOGRAPHY OF AMERICAN TRADE-UNION PUBLICATIONS. Edited by George E. Barnett. 50 cents.

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FINANCIAL HISTORY OF BALTIMORE. By J. H. Hollander. \$2.00.

THE AMERICAN WORKMAN. By E. Levasseur (translation). \$3.00.

THE FINANCES AND ADMINISTRATION OF PROVIDENCE, 1636-1901. By Howard K. Stokes. \$3.50.

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## HENRY NEWELL MARTIN

Tribute by Professor William H. Howell on the occasion of the presentation to the Johns Hopkins University of a portrait of the late Professor H. Newell Martin, February 22, 1908.

Henry Newell Martin was born July 1, 1848, at Newry, County Down, Ireland. Both of his parents were Irish, his father being at the time of his birth a Congregational minister. He was educated at University College, London, and at Cambridge University. In both institutions he made a brilliant record as a student, winning many honors. At Cambridge, for instance, he took first place in the Natural Science Tripos of 1873, second place being won by Francis M. Balfour, who subsequently gained such distinction as an embryologist. He assisted in various courses in physiology and biology and was made a Fellow of Trinity College, Cambridge, in 1874.\* When Mr. Gilman was in England seeking advice in regard to a suitable occupant for the chair of biology in this institution, his attention was directed to Martin as a man of exceptional promise. Mr. Gilman, in his valuable and delightful reminiscences, has put on record the details regarding the selection of Dr. Martin for the important post of Professor of Biology. They need not be repeated here. It is sufficient to say that in this case, as in his other appointments, our first president showed an extraordinary ability in selecting the right man. Dr. Martin served the University as head of the department of Biology for seventeen years, but in 1893 his failing health and physical inability to meet the many new duties thrown upon his department by the opening of the Medical School, led to his resignation. He returned to England, hoping that with care he might recover his health and again engage in productive work. Indeed, he had begun investigations in Professor

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\*See obituary notice by Sir Michael Foster—Proceedings of the Royal Society, Vol. 60.



Schäfer's laboratory at University College, and was busy with plans for a new book on Histology, but he counted beyond his strength. After repeated illnesses he died October 27, 1896, at Burley in Wharfedale, Yorkshire, as the result of a sudden hemorrhage.

The Trustees of the University have commemorated his great services by the erection of a memorial tablet in the biological laboratory, and his friends and pupils have shown their esteem and appreciation by the publication of his collected works. The latter testimonial was completed before his death, and it is a pleasure to know that this act was a source of great gratification to him and that it has aided materially in bringing his work to the attention of his foreign colleagues. While his name will ever be held in grateful remembrance in connection with the history of this institution, and with the development of biological instruction and research in this country, it seemed to some of his former friends and pupils that there should be upon the walls of the University a permanent portrait, in order that those who come after us may be able to realize something of the singular charm of his personality. Indeed, when we remember that Martin was one of the original Hopkins seven to whose splendid work the fame and prosperity of the University have been chiefly due, it would seem to be almost an imperative duty to include his portrait with those of the others constituting this illustrious group of scholars.

The artist selected to paint the portrait, Miss Gabrielle de Vaux Clements, has had a difficult task. She did not know Professor Martin, and was obliged, therefore, to rely upon a rather meagre collection of photographs and the verbal descriptions of acquaintances. We are much indebted to her for the great interest she has shown in the work, and I believe that she has succeeded in giving us a portrait which will recall vividly and truthfully to the minds of his old pupils the bright, attractive, alert per-

sonality of their professor and fellow-student, as he was in his best days.

The important service that Dr. Martin rendered to biological instruction in this country has been freely recognized. He was a pupil of Huxley and of Michael Foster, and, by his example and precept, he was able to establish here the broad-minded conception of the unity of the biological sciences, which he derived from one of these masters, and the methods of scientific investigation in physiology, which had been inaugurated in England by the other. During his period of training there had been, in fact, a renaissance of biological interests in England, the initial cause of which is to be found, no doubt, in the intense feeling aroused by the publication and quick acceptance of the Darwinian conception of the genetic relationships of living things. On the physiological side these interests had been widened and vitalized into productive activity by the introduction of the experimental method as developed especially in the German-speaking countries. The new points of view were known to the leaders in botany, zoology, and physiology in this country, but their environment was not favorable to a change from the older to the newer methods of working and thinking. The timely establishment of this University as an institution devoted chiefly to advanced instruction and research gave Martin an opportunity, which he utilized fully, to introduce the newer conceptions and methods into our biological instruction. His laboratory became the centre of the biological interests in this country. Most of the men who in the next decade or two attained to prominence as teachers or investigators in the subject, were his students. They helped to spread his influence in an ever-widening circle, and numerous laboratories founded on the model developed here by Martin sprang into existence and are in full activity at the present time.

As a teacher of beginners Martin was delightful. He had an enthusiasm, an engaging frankness and simplicity of manner, which attracted his men at once. I think that he thoroughly enjoyed introducing young students to the beauties and marvels of living structures and their adaptations. To some of us, I know, the story as he unfolded it came like a revelation which startled us into a new intellectual life. As a teacher of advanced students his method was entirely different. While approachable at all times, he seemed to hold to the sink-or-swim theory. Certainly he could show an extraordinary amount of apparent indifference toward some poor fellow floundering in the difficulties of his first research. If the man showed pluck and independence, he was finally appreciated and encouraged in every possible way, but those misguided students who imagined that the professor would do their thinking for them, were sadly disappointed. Martin was capable of letting them drift in an altogether heartless manner. In my student days this method of teaching often puzzled me, but I am convinced now that he acted on a fixed principle, that is, he deliberately tried to discourage those whom he thought unfit for the work of investigation. But in all his personal contact with his pupils Martin exhibited a sincerity, a broad-mindedness, and a modesty such as aroused both a love for the subject and an affection for the teacher. His reticence in regard to his own work was remarkable. While keen to appreciate and publicly praise the good work of others, he rarely, if ever, made any reference before his students to his own investigations. It was a matter of comment among us that in the library of the laboratory it was impossible to find any of his own publications, although those of the other workers in the laboratory, or of outside men, were displayed conspicuously upon the reading table. We were impatient at times to have him discuss before us those questions upon which he was working himself, but, so far as I can remember, he never did.

In his advanced lectures he wandered far afield in various parts of biology, with the result that, however restricted our individual work might be, we were never allowed to get away from the broad outlook upon the subject as a whole. We heard of Pfeffer's researches upon osmotic pressure and had them demonstrated to us, in part, before physical chemistry was thought of as a separate science. In the laboratory and at his home, by means of journal clubs, seminars, reading clubs, field clubs, etc., he attempted to inculcate that sympathy for all sides of biological study which was such a striking characteristic of his own nature.

Martin's scientific researches were in the field of animal physiology. As an investigator he possessed unusual originality and insight. It did not accord with his temperament to make elaborate contributions to the current discussions of the day. He selected rather specific problems which might be solved conclusively by some new and original method, and it must be admitted that he possessed to a high degree the characteristics of clear-sightedness and directness of approach which are so often seen in English-trained men of science. His best work was undoubtedly his brilliant series of experiments upon the physiology of the heart; experiments which were made possible by his discovery of an entirely new method of studying the isolated heart. This work won the recognition of a Croonian Lectureship from the Royal Society of London, but, for the most part, it was not entirely appreciated either at home or abroad during his life-time. It would seem that new work, like a new book, must sometimes be forced upon the attention of the public, if it is to win immediate notice, and Martin was a man of a nature too sensitive and genuinely modest to bring himself to push his work, even by methods altogether proper. He published most of his researches in the "Studies from the Biological Laboratory," which had a limited circulation, and years afterward a distinguished German professor



of physiology was disturbed to find that a long series of experiments published by him had been previously described by Martin, both as regards results and method. In recent years the principle of Martin's method for investigating the functions of the heart has been widely used in experimental medicine, and it forms at present an accepted and almost indispensable means of research in cardiac physiology, pharmacology, and pathology. Martin himself saw clearly the value of his discovery and hoped that it would be designated in physiological literature as "the Baltimore method," but it has been used now so frequently and modified so often in details that it is to be feared that the originator of the idea will not be remembered in connection with it. It happens not infrequently in science that those who furnish the real thoughts are lost to view under the great amount of work which they call into existence, while, on the contrary, a name may long be kept alive by being linked with some comparatively unimportant fact or observation. Dame Fortune is capricious in this as in other respects. But if Martin's great contribution was not fully appreciated at once by the outside world, there was, I hope, some compensation for him in the fact that the little world within the old biological laboratory was immensely enthusiastic. Such energy, such loyalty, such confidence it has not been my good fortune to witness again. May this portrait, which a few of his friends take such pleasure in presenting to-day, serve to keep alive within the University itself the memory of his good work and of his many virtues.

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THE  
ECONOMIC SEMINARY  
1908-09

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## CONTENTS

	PAGE
THE ECONOMIC SEMINARY, 1908-09 . . . . .	1
David Ricardo and the Bank of England. By JACOB H. HOLLANDER, . . . . .	3
The Piece System of Remuneration in the Printing Trade. By GEORGE E. BARNETT, . . . . .	5
Secondary Freight Services. By LOGAN G. MCPHERSON, . .	11
The Sheet Mill Scale of the Amalgamated Association of Iron, Steel and Tin Workers. By D. A. McCABE, . . . .	16
The Form of the Trade-Union Label. By E. R. SPEDDEN, .	22
The Closed Shop in the American Federation of Musicians. By F. T. STOCKTON, . . . . .	26
Early Status of Labor in Maryland. By H. WIRT STEELE, .	30
The Shorter-Day Movement of the Carpenters in 1893-94. By E. T. CHEETHAM, . . . . .	36
Convict Labor in the Maryland Penitentiary. By. A. O. MULLEN, . . . . .	40
Policy of the Glass Bottle Blowers' Union Toward Machinery. By A. B. MORTON, . . . . .	44
The Non-Union Man in the Sheet Metal Trade. By F. E. WOLFE, . . . . .	48

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APRIL, 1909

Whole Number, 215

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## THE ECONOMIC SEMINARY, 1908-1909

Edited by PROFESSOR J. H. HOLLANDER and ASSOCIATE  
PROFESSOR G. E. BARNETT

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During the current academic year, the Economic Seminary has continued its investigation of American trade unionism. In the summer of 1908 each member of the Seminary carried on field work in connection with the particular phase of the subject in which he was interested. The summer work was fruitful also in adding materially to the large collection of trade-union publications in the possession of the University. Material progress has been made in prosecuting the inquiries already begun, and certain new lines of investigation have been undertaken. The chief of these are: The closed shop, trade unionism and convict labor, labor legislation in Maryland, trade unionism and machinery, and trade-union membership.

Two monographic studies by members of the Seminary, embodying the results of Seminary activity, are now ready for publication and will be issued as follows: "The Printers: A Study in American Trade Unionism," by Dr. George E. Barnett, in the *Publications of the American Economic Association*, and "The Government of American Trade Unions," by Dr. T. W. Glocker.



A record of the proceedings of the Seminary, and abstracts of certain papers there presented, are appended:

Oct. 8—Report of the summer's field work, by Professor Hollander, Associate Professor Barnett, Messrs. E. R. Spedden, F. T. Stockton, A. O. Mullen, H. W. Steele and D. A. McCabe.

Oct. 14 and 21—"The Standard Rate in the Typographical Union," by Associate Professor Barnett.

Oct. 29—"The Trade Union Label in Theory," by E. R. Spedden.

Nov. 4—"The Massie Catalogue," by Professor C. M. Andrews.

Nov. 12 and 18—"The Minimum Time Rate," by D. A. McCabe.

Dec. 1—"The Closed Shop in the American Federation of Musicians," by F. T. Stockton.

Dec. 9—"Machinery in Glass Bottle Blowing," by A. B. Morton.

Dec. 19—"The Non-Union Man in the Sheet Metal Trade," by F. E. Wolfe.

Jan. 9—(a) "The Theory of Collective Bargaining," by Associate Professor Barnett; (b) "Diehl's Ricardo," by Professor Hollander.

Jan. 14—"Convict Labor," by A. O. Mullen.

Jan. 20—(a) "The Decision of the English Court of Appeals in *Osborn vs. Amalgamated Railway Servants*," by Associate Professor Barnett; (b) "Ricardo's Proposals for an Economic and Secure Currency," by Professor Hollander.

Jan. 27—"An Investigation Into the Cost of Living of Wage Earning Classes in American Cities," by Ernest Aves, of the British Board of Trade.

Feb. 4—"The Administration of the Label," by E. R. Spedden.

Feb. 10—"Convict Labor and American Trade Unionism," by A. O. Mullen.

Feb. 18—"Apprenticeship in the Typographical Union," by Associate Professor Barnett.

Feb. 24—"The Decision of the Supreme Court of Mass. in *L. D. Wilcutt and Sons Company vs. Bricklayers' Union No. 3*," by F. T. Stockton.

Mar. 31—(a) "David Ricardo and the Bank of England," by Professor Hollander; (b) "The Standard Piece Rate," by D. A. McCabe.

Mar. 10—"Spanish Trade Unionism," contributed by W. H. Buckler.

Mar. 18—(a) "The Legal Aspects of the Trade-Union Label," by E. R. Spedden; (b) "The Shorter Day in the Carpenter's Union," by E. T. Cheetham.

Mar. 24—"The report of the Royal Commission on the Poor Laws," by D. A. McCabe.

April 1—"The Carpenters' Union," by Mr. Frank Duffy, General Secretary-Treasurer of the United Brotherhood of Carpenters and Joiners of America.

April 22—"The Development of Monetary Theory from Adam Smith to Ricardo," by Professor Hollander.

April 28—"The Closed Shop in American Trade Unionism," by F. T. Stockton.

May 6—"Membership in the Cigarmakers' Union," by F. E. Wolfe.

May 12—"The Flint Glass Workers' Union and the Introduction of Machinery," by A. B. Morton.

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## DAVID RICARDO AND THE BANK OF ENGLAND

BY JACOB H. HOLLANDER

There is no more characteristic phase of Ricardo's relation to contemporary institutions than his persistent, avowed hostility to the policy and practice of the Bank of England.

In his first published utterance—the communication to *The Morning Chronicle* of August 29, 1809—Ricardo condemned "the dangerous power" with which the Bank was entrusted, and with the further progress of the bullion controversy this attitude became more defined. The discussions, in and out of the House of Commons, in 1815-16, incident to the renewal of the government's engagement with the Bank as fiscal agent, found Ricardo sharply aligned against the policy of the Bank directors and an aggressive champion of more liberal practices. "I always enjoy any attack upon the Bank, and [if I] had sufficient courage I would be a party to it," he wrote to Malthus in this connection. Finally, the last substantial piece of work from Ricardo's pen, not actually published, indeed, until after his death, was the "Plan for the establishment of a National Bank," in which the withdrawal of note-issuing power from the Bank was strongly urged. In the intervening years, thick with notable episodes in

the Bank's history, Ricardo lost no occasion in public expressions and in private intercourse to voice emphatic dissent from the Bank's procedure.

It is possible to explain this consistent hostility as a mere unreasoned dislike. But all that we know of Ricardo's mental habit makes it clear that his temper was judicial and his conclusions deliberate. Slow to form opinions, receptive to new evidence,—when his judgments were once formed they gave evidence of definite basis and hard logic. It was in the wisdom of painful experience that James Mill wrote to Francis Place: "Don't meddle with Ricardo. It is not easy to find him in the wrong, I can assure you. I have often thought that I had found him in the wrong, but I have always eventually come over to his opinion."

A no less simple, although very much cheaper explanation is to assume that Ricardo's opposition to the Bank was dictated by personal interest;—for example, that as a considerable operator on the Stock Exchange he might, prior to 1815, have come in frequent contact, perhaps in occasional collision with the Bank directorate. Or again, that, as a large holder of funds he must have suffered from the depreciation of the money standard consequent upon the Bank's note-issuing policy. A certain reinforcement has lately been given, perhaps unintentionally, to this Held-like interpretation, by the general tenor of Professor Foxwell's notable preface to the English translation of *Andréadès' "History of the Bank of England."*

As a matter of fact, Ricardo's attitude towards the Bank of England was inspired by a composite impulse. Doctrinal, personal, political, even philosophical considerations contributed—each with a distinct and traceable definiteness. As an observer of monetary practice and an advocate of specific monetary doctrines, he resented the stolid resistance of the Bank directorate to

accepted principles. As a substantial proprietor of Bank stock, he protested against the niggardly distribution of the Bank's profits and the unwarranted concealment of its accounts. As a citizen, in close touch with public affairs, and later as a legislator, he was indignant at the disadvantageous arrangements subsisting between the Bank and the government. As a philosophical radical he was in arms against a depreciation of the accustomed monetary standard, with its consequent unmerited effects, for good and ill, upon distinct social classes.

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## THE PIECE SYSTEM OF REMUNERATION IN THE PRINTING TRADE

BY GEORGE E. BARNETT

Until about 1890 the great mass of compositors employed in printing offices were paid by the piece. The basic principle in the system of remuneration in vogue was that the employee should be paid according to the number of pieces of type which he picked up, and this was estimated by calculating the surface covered by the type when set. The unit in which this area was measured was known as an *em* and composition was thus paid for at a certain rate per thousand *ems*.

A somewhat technical description of type is necessary to an understanding of the system of measurement by *ems*. A piece of type consists of a body and a face. The body is a right-angled, prism-shaped piece of metal on the end of which the face is mounted in relief. It is from the face that the printed impression is made. The end of the body is larger than the face and the blank spaces between the printed lines and letters are thus produced.



The bodies of the pieces of type fill up entirely a page of composition.

The dimension of the body of a piece of type across the page is known as its width and the dimension up and down the page, as its depth. In any font of type the depth of all the pieces is the same, but the widths of the bodies vary considerably. That of the letter *m* is the greatest and its width approximates its depth. The letter *l* is much less in width.

An *em* in any font is the square surface each side of which is equal to the depth of the pieces. The size of the *em* varies according to the size of the type. A pica *em* is larger than a brevier *em*. Such variations in absolute size obviously do not affect the *em* as a unit for measuring work as long as the size of the pieces of type varies proportionately with the size of the *em*.

The theory that the *em* measures correctly the number of pieces of type set rests on two assumptions. It is taken for granted that if a compositor sets a considerable amount of matter the thin and thick bodies will average up, since about the same proportion of the letters of the alphabet will occur. It is also assumed that the combined width of all the letters in the alphabet bears a fixed relation to the depth. The first assumption is entirely justified, but the second is not and the defect in the *em* as a unit of measurement lies in the fact that different fonts of type vary widely in the ratio of the widths of the bodies taken together to their depths. A concrete case may make the point clearer. If a piece of composition contains thirty lines and its width is equal to one-third of its length, it measures 300 *ems*, but the number of pieces of type the compositor has to set may be larger or smaller according to the width of the pieces. In one font there may be on the average sixty pieces to the line, while in another of exactly the same depth there may be fifty pieces. A compositor setting type of the one font does

one-fifth more work in setting the same number of *ems*. Obviously, certain limits are placed on the extent to which the pieces can be "thinned" or "fattened" by considerations of legibility and appearance, but these limits are wide enough to permit considerable variations.

The system of measurement by *ems*, in the form in which it was first used in this country, took no account of the possibilities of such variations. The early societies of printers did not discuss the subject or make any provisions concerning it in their scales, probably because the fonts cast then were more nearly uniform in the ratio of width to depth.

The subject does not appear to have attracted attention from the printers until 1837, when the Columbia Society of Washington appointed a committee to investigate the "range of type in the several offices." It was found that the widths of all the lower case letters of the alphabet taken together measured in different fonts from  $11\frac{1}{2}$  to 13 times the depth of the type, or as the committee put it,  $11\frac{1}{2}$  to 13 *ems*. A compositor working from the "leanest" font had therefore to set about fifteen per cent. more pieces of type than from the "fattest" in order to have as many *ems*. The society adopted a rule that all type should "measure  $12\frac{1}{2}$  *ems* to the alphabet," or, in other words, that the combined width of the bodies of all the lower case letters should equal twelve and one-half times the depth of the body. If the font measured less than this the compositor was to be paid at a higher rate. It was soon recognized that the smaller sizes of type ran ordinarily more *ems* to the alphabet than the larger and the "alphabetical standard" was graded in such a way as to take this into account.

Practically all the local unions adopted this method of dealing with the problem, and from about 1840 the scales ordinarily included "alphabetical standards," but these varied widely from union to union. The National Union

on several occasions, in the hope of securing uniformity recommended the following standard: agate, 15 *ems* to the alphabet; nonpareil, 14; minion and brevier, 13; bourgeois to pica inclusive, 12. The difficulty in the adoption of any common standard lay in the fact that the different sizes of type were not standardized. Different fonts of so-called brevier were not always the same in depth. Each local union therefore preferred to adopt an "alphabetical standard" suited to local conditions. The local unions differed also in their methods of charging for type falling below the standard. Some local unions simply charged a rate proportionate to the amount of deviation from the standard, while others penalized the use of "lean" type. The latter course frequently involved friction, since an employer was usually unwilling to pay a price for lean type which yielded the compositor more than if it were of standard width. In 1882 the International, after a discussion protracted over some years, required the local unions to adopt the alphabetical standard which had been previously recommended. They were also to charge type falling below the standard proportionately to its deviation.

The adoption of these rules did not, however, make the *em* an exact measure of the work of the compositor, since only type falling below a certain width was standardized by the system. No reduction in price was made if the type ran more *ems* to the alphabet than required. It was expressly laid down in the union's rule that "all fonts exceeding the standard size are to the benefit of the compositor and no reduction or allowance can be made owing to such excess." The result was that those employers who wished to use broad-faced type paid a higher rate per piece of type set than others. The difference in the cost of setting a given number of letters in type of standard width and in a broader-faced type was sometimes considerable. In 1879 Mr. Samuel Rastall, of

Chicago, in a comparison between five offices in that city, showed that with the same labor with which a compositor setting minion type of standard width could earn \$18.63, he could earn \$21.62 in another office where the font was "fatter."

It was claimed also that the "alphabetical standard" was evaded. As early as 1871 it was charged by some journeymen that the letters most frequently occurring—*a, c, d, e, h, i, n, o, r, s, t, u* and *w*—were cast thin and the seldom used letters such as *x* and *z* were cast thick. An alphabet so cast would measure the required ratio of width to depth, but the compositor would be no better off than if the type were below the standard in measure. While the debasement of the standard in this way was not practicable to any great extent, since within any font the widths of the letters must bear a certain relation to each other or the matter will have a distorted appearance, it appears that it was occasionally resorted to. A committee of the International reported in 1893 that in a conference with representative type-founders it had been admitted "that in the past where a font of type fell below the standard in certain cases it had been brought up to the standard at the demand of the publisher ordering the font by enlarging the letters least used, the *x, p*, etc." To prevent such evasions, in 1890 the International required that the letters *a, c, d, e, i, s, m, n, l, o, r, t* and *u* should equal in width at least one-half of the width of the whole alphabet.

The defects in the *em* system of measurement led to proposals for the adoption of a new unit of measurement. The most widely discussed of these plans was that first advocated in 1879 by Mr. Samuel Rastall, secretary of the Chicago union. The compositor was to take twenty-five letters, leaving out the *z* for convenience in computation. He was to take six spaces, the estimated number used in forming twenty-five letters into words. The



length of these twenty-five letters and six spaces was to be the unit of measurement. Multiplied by forty it gave a measure containing one thousand letters. This system was adopted by the International in 1881, but with the important proviso that it should be "enforced only in those localities where practicable." None of the local unions appear to have put it into effect. A similar plan was advocated in 1886 by Mr. MacKeller of the 'Type Founders' Association. He proposed that the width of the body of the letter m should be taken as a measure of the line. This system was essentially the same as that of Mr. Rastall, except that it involved the theory that the proportion in the width of all the other letters to that of the m was fixed.

A final effort to secure a better unit of measurement was made in 1892. The National Publishers' Association held a preliminary conference on the subject in March of that year with the representatives of the Type Founders' Association and of the union. This conference favored the adoption of the MacKeller system. In order to protect the compositor against any alteration in the ratio of the width of the other letters to that of the letter m, representatives of the union secured the insertion of provisions requiring that the alphabet of any font should measure at least fifteen of its own m's and that the thirteen letters less used should equal in measurement the thirteen letters more used (c, d, e, i, s, m, n, l, o, u, t, a, etc.). The International Union submitted to the referendum a proposition authorizing the executive council to select one or more cities for a trial of the system, and the proposal was carried. By this time, however, the machine was being rapidly introduced, and the union was less concerned in the matter than it had been.

The chief reason why the unions never insisted on the replacement of the defective *em* system by the far preferable system of measurement by letter, was that in any

adjustment of the piece rate to a more exact system of measurement it was inevitable that the earnings of the men in the "fat" offices would be scaled down. The piece rate for the printers was not a level rate for each city, but a different rate for almost every office. The result was a division of interest between the journeymen in different offices. There were always keen-sighted men who thought that the adoption of a better system of type measurement would have unified the interests of all journeymen printers and strengthened the union, but the adoption of any such policy meant a temporary lowering of wages for a part of the compositors, without any compensating advantage for the others. As a result, such proposals always failed.

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## SECONDARY FREIGHT SERVICES

BY LOGAN G. MCPHERSON

*Switching.*—To switch is to move a car from one track to another. Its simplest phases are the shifting by switch engines of cars from the various tracks of a yard into definite arrangement on a train track, whence they are taken out to a main line track for road movement; the reverse switching of the cars of an incoming train to the various tracks of a yard, whence they are taken to the freight houses or other destinations, or made up into trains by shifting engines for further main-line movement; and the switching of a car or cars from a track to a side-track at a way destination.

When a business enterprise attains such magnitude that it is desirable that a track be built connecting its mill or mine, factory or warehouse with the railroad, another element is introduced. It is necessary that cars,

to be loaded at and shipped from, and to be received by and unloaded at the business establishment, be conveyed between the railroad track and that establishment by a transportation service distinct from the main-line haul; this is included under the somewhat wide-embracing term of switching.

At most junctions where freight cars are transferred from the tracks of one to those of another railroad company, the transfer is effected over a connecting track, which may belong to one or to the other or to both companies, the shifting being performed by the locomotive of one or the other company.

At other places, especially in the larger industrial and commercial centers, where the tracks of many railroads converge from and radiate in all directions, it has been out of the question for any one company to have tracks connecting with those of all other companies. The most frequent solution of this problem is the construction, usually by a separate company, of a "belt" line, or a "connecting" railway extending generally a part of the way, or, perhaps, all the way around the city and linked by connecting tracks with the various railroads to and from each of which it is thus enabled to transfer cars.

The growth of certain of the larger cities has sometimes caused what was originally a belt road in the suburbs to become a line encircling what is comparatively a central portion of the manufacturing district. Industries have been located upon such a belt line between which there arises the need for transportation which its locomotives perform. This is not a switching but a complete transportation service.

Analagous, in a way, to the switching service is that transportation by water necessary when a railroad's track ends on the shore of a river, an estuary, or other waterway, on the opposite bank of which is the city that is the real commercial terminus. The two conspicuous examples

are San Francisco, which is located on a peninsula projecting into San Francisco Bay, across which freight is conveyed from Oakland; and Manhattan Island, extending southward between the East and North Rivers. Vast numbers of loaded cars are floated on barges that are fitted with tracks across these rivers and to and fro in New York harbor between one railroad freight station and another. Into barges, known as lighters, freight is unloaded from cars at stations and "lightered" within the lighterage limits of New York harbor to other stations, to the water front of manufacturing establishments, to the side of any vessel for whose cargo it may be destined.

*Private Industrial Tracks.*—The operation of a business, especially of a mill or factory utilizing material that is large in bulk and heavy in weight, may so develop that it will need to build railroad tracks to carry material and products between its different plants. For example, a steel mill may so enlarge that furnaces, converters, rail mills, and structural mills may all be embraced in one vast enclosure wherein the transportation to and fro between the different buildings of ore, coal, coke, and limestone for the furnaces, ingots, blooms, billets, rails, bars, and other forms by any other conveyance than a steam railroad would be out of the question. Many of such establishments include several miles of track and numerous cars and locomotives as part of their plant within the area occupied by various buildings. Such a plant is a large patron of the railroads, receiving every day many carloads of ore, fuel, and flux, and forwarding daily many carloads of finished material over its tracks which connect with the main lines of the adjacent railroad companies.

The service of the railroad companies designated as switching varies at different establishments of this and similar character, because of peculiar local conditions. At one mill, for example, a railroad delivers cars to and takes cars from that point on the connecting tracks



which is located on the boundary line between the right of way of the railroad and the land of the mill site. At another mill the railroad company switches the loaded cars to and takes loaded cars from tracks well within the interior of the mill. At still another, the railroad company switches cars of ore, fuel, and limestone to the places in the interior of the mill yard most convenient for their unloading, and takes cars of the finished product from those places in the mill yards where they have been loaded. That is, it "spots" cars for unloading and removes them when empty, "spots" empty cars for loading and takes such cars, when loaded, from where they have been "spotted." At places this entire service is performed without other transportation charge than that made for the road haul under the ordinary tariffs.

At such an extensive industrial plant, however, with its own interior tracks and its own locomotives for service upon such tracks, it is usually inconvenient and even hazardous for the locomotives of the railroad company to enter within the plant for service upon those tracks. At this kind of a plant it has, therefore, frequently been arranged that its locomotives take cars from and deliver cars to the tracks of the railroad company. Because of its enormous receipts and shipments of freight which can generally be made over one or more competing railroad lines, such an industrial establishment has often compelled the railroad companies to pay to it, in consideration of its performance of the switching service, an amount much in excess of what it would cost the railroad company to perform that service. When the tracks of the industrial establishment have extended over considerable distances connecting widely separated plants, as well as reaching to the tracks of a railroad company, the allowance to the industry has sometimes been a proportion of the regular transportation charge. That is, the tracks of the industrial establishment for which a

separate and usually merely titular corporation has obtained a charter, have been considered as those of a separate railroad company, and the transportation charge as a through rate of which a proportion should accrue to it. Such a proportion of the transportation charge at different times and in different places has been made to manufacturing concerns of various kinds, to mining, and to lumber companies that have built tracks over which their own locomotives have performed switching service to and from the main tracks of a railroad. This practice has been bitterly and justly condemned as one form of giving rebates. The industrial establishment owning tracks and locomotives for its own convenience has undoubtedly through such payments obtained an advantage over competing plants not so equipped. It has been held under the English law that the public and lawful rate of a railroad company covers service rendered on its own tracks by its own instrumentalities. In its decisions in the cases brought by the General Electric Company and the Solvay Process Company the Interstate Commerce Commission has held that a railway company is under no pecuniary obligation to an industrial plant for the performance by that plant with its own equipment of interior switching service.

*Tap Lines.*—Of the same nature as the interior tracks of the great industrial plants are the “tap lines” owned by the lumber companies, of which there are a great many in the timber districts, connecting the places where timber is being cut with the tracks of the railroad over which it is conveyed toward the markets. Unlike the industrial tracks which form a network over the comparatively small area occupied by an industrial plant, a tap line may extend for a dozen or a score or more of miles from the railroad into the forest. It may be a common carrier to the extent of carrying the lumbermen back and forth and supplies for their use to the logging district, but in

all cases the function of the tap lines is primarily and overwhelmingly that for which they were constructed by the lumber companies. Especial allowance for switching or proportions of the through rate have been allowed these tap lines just as such allowances have been made to industrial companies, and with the same effect of practically paying a rebate by which the lumber companies owning tap lines benefit to the disadvantage of lumber companies that do not. The question is before the Interstate Commerce Commission at this writing with every probability that its decision will be similar to that in the Solvay Process Company and General Electric Company cases.

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## THE SHEET MILL SCALE OF THE AMALGAMATED ASSOCIATION OF IRON, STEEL AND TIN WORKERS.

BY D. A. McCABE

The wage scale experience of the Amalgamated Association of Iron, Steel and Tin Workers is one of the most instructive in the history of American trade unions. This association has made use of all the important methods of wage regulation common to piece working unions and has in addition maintained systems of working and payment almost peculiar to itself. In this latter class belong the limited turn system and the employment and payment of skilled workmen, members of the union, by other members in the employment of the manufacturers. As these two features are found closely inter-related in the scales of the sheet mill division, one of the four divisions of the trade from which the union membership is recruited, the

experience of this division with them may be taken as illustrative of that of the association as a whole.

The sheet mill division of the association is made up of the workers engaged in rolling iron and steel bars into sheets. The term "sheet mill" is usually applied collectively to the equipment of furnaces, rolls, presses, and shears used in converting the iron or steel bars into sheets. A sheet mill is thus a division or section of a complete iron or steel plant, which is also called a "mill." In the process of "rolling" bars into sheets the bars are heated in pairs in a "pair furnace," rolled on a set of rolls, reheated in a "sheet furnace," doubled over on a press, and reheated and re-rolled until reduced to sheets of the required length and width. In the latter stages of rolling, sheets of the same length are "matched" and three or four rolled at once. After they have been rolled the sheets are trimmed to conform to the desired measurements on large knives or "shears." The sheet mill crew consists of a roller, a pair heater, a sheet heater and often a sheet heater's helper, a rougher and a catcher, who attend to the passing of the sheets through the rolls, a matcher, a doubler, and a shearman. Often additional helpers are employed, sometimes by the men themselves, to assist one or more of the regular members of the crew,

The roller is in charge of the crew and responsible for the work. He is paid a specified rate per ton by the company on the output of the mill, and down to the year 1905 he paid out of his rate the roller and catcher, whom he employed at a fixed rate per "turn," as the working day of a shift is called in the trade. The wage arrangement between the roller and the rougher and the catcher was a matter of union regulation. The pair heater, matcher, and doubler also worked for a time wage, but were paid by the company. The heater and shearman were paid by the company at tonnage rates proportional to that of the roller.



The limit of output for sheet mills has from the first been indirect. The limit for a day's work was originally adopted to protect the members of the crew who were paid by the day, and it has always appeared in the scale in the form of a specific number of pairs to be worked each turn by the day hands for a fixed daily wage. As these day workers made up a majority of the crew the limit on their day's work was in effect a turn limit for the crew, and was maintained as such. The day workers were under this limited turn system really piece workers with a fixed daily output, with the exception in their favor that if they did not reach the limit for a turn in ten hours' work they were to receive a turn's pay.

The limit for a day's work first appeared in the Pittsburgh district Scale for 1881. It was soon copied in the scales of the other districts and later became a part of the general Western scale. The Pittsburgh scale of 1881 specified the wages to be paid per turn to the pair-heater, matcher, doubler, rougher, and catcher, and provided that a certain number of pairs of each class should constitute a turn's work. The number of the standard sizes allowed on doubling mills, which became much more numerous than single mills, was one hundred and five. It was also provided that fifteen pairs should be the limit for a heat. A turn's work was thus defined as one hundred and five pairs, or seven heats of fifteen pair each. For this the rougher and catcher were to receive \$2.80 each, to be paid by the roller, and the pair heater, matcher, and doubler \$2.00, \$1.85 and \$1.75, respectively, on large double mills, and \$1.85, \$1.60, and \$1.50 on small double mills, to be paid by the company. That part of the scale defining the wages and turn's work of the roughers and catchers was the result of an agreement made in 1880 by a joint committee of rollers and of roughers and catchers.

The reasons which impelled the Amalgamated Association to set limits of output for its piece working members are those common to the piece rate unions. Piece work when unlimited, the unions contend, spurs the workers to over-exertion, which results in bodily injury and reductions in the piece rates. The increased outputs, especially those of the faster workers, induce the employers to cut the rates. The reduction forces the workers to strive for still larger outputs in order to regain the former total wage, and the enlarged outputs result in a still further reduction. Unless a limit be set to the amount of work each is to turn out the workers will be speeded up beyond their normal capacity without any corresponding increase in their wages, and fewer men will be employed. In the case of the time hands on sheet mills, a limit was felt to be especially necessary in that they were paid by the day and not by the piece. All these workmen were under the direction of the roller and the rougher and catcher were directly in his employ. Since the roller received a fixed rate per ton for all the sheets turned out, his men were subjected to the danger of being speeded up in their work without even a temporary increase in wages. This and the fact that they were engaged on a product for which payment could easily be calculated on a piece basis led to the adoption of piece limits for the time workers long before limits specifically for piece workers were inserted in the scale.

The limits imposed in the 1881 scale were maintained until 1889. The scale adopted by the convention of that year and accepted by the manufacturers in the annual wage conference provided that eight heats should be allowed for a turn's work, and that for each turn of eight heats the day hands should be paid in proportion. This meant that the day hands paid by the company—the pair heater, matcher, and doubler—were to receive for the extra heat an advance of one-seventh over the nominal

turn wage still retained in the scale. The rougher and catcher also received an advance proportional to the increased output. In the scales of 1892-93 the limit was again raised. The turn's work was made nine heats, or one hundred and thirty-five pairs, and though the day workers' scale was still nominally that which had been paid for one hundred and five pairs, the actual rate was two-sevenths above that.

The loss by the association in the strike of 1901 of several mills of the United States Steel Corporation which had previously been unionized and the increase in the number of non-union independent mills which followed that set-back to the association, made it impossible for the union to preserve its limits of output very long intact. The non-union mills were held to no such limits and the manufacturers who dealt with the union pressed constantly for increases in the limits or their removal outright. The holding of its position was made more difficult for the association by the continued overstepping of the limits by individual members and even by whole lodges. The president and district officers complained repeatedly of excessive outputs and warned the members against violating their scale and constitution, but they were unable to stop the "over-production." The logical outcome was that the union had to surrender its limits.

This was as true of the sheet mill division as of the others. In December, 1903, the independent sheet manufacturers notified the union that they must be given a substantial reduction in wages and be freed from all limits on output; otherwise they would be compelled to close their plants or operate them with non-union men. In the special conference which was held between representatives of the sheet mill workers and the manufacturers the latter proved that union members had made nine heats in five hours. As the result of this conference

the union accepted an 18 per cent. reduction in wages and increased the limit to ten heats, or 150 pairs. This limit was continued through the next scale year, 1904-05, but in the 1905 conferences all limits were removed from both the sheet and the tin division scales.

The abolition of the sheet limit put the time hands practically on an unlimited piece system. Though nominally working for a fixed daily wage, they were paid according to the number of pairs turned out, at the rate provided in the scale on the basis of 105 pairs. In 1908 the final step was taken and all the sheet mill workers were put on a tonnage basis.

The practice of having the roller pay the rougher and catcher has also been given up. It was always a source of trouble to the union officials. Disputes were continually arising between the roller and his rougher and catcher as to the pay and duties of these hands, and as these were disputes between union members, often members of the same lodge, they were particularly objectionable from a union standpoint. The presidents of the association repeatedly urged the conventions to put the time hands on a tonnage basis and so remove a fruitful source of grievances. In 1905 a provision was inserted in the scale that all hands specified in the scale should be paid directly by the company. Now all the members of the sheet mill crew except the sheet heater's helper, who is paid 35 per cent. of the heater's wages according to union rule, are paid by the company at tonnage rates.

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## THE FORM OF THE TRADE-UNION LABEL

BY E. R. SPEDDEN

There are three forms in which the trade-union label—using the term in its widest sense—is used: (*a*) a mark attached to a product, (*b*) a shop-card to distinguish a place of business, and (*c*) a button to distinguish a workman. The majority of trade unions use the label only as a mark placed on an article and ordinarily the term “Union Label” indicates this form of label.

In 1907 the membership of the trade unions using the labels attached to the product was 458,600, or approximately 27.9 per cent. of the entire membership of the American Federation of Labor. Those unions which use cards and buttons embraced approximately 309,600, or 18.8 per cent. of the number of workmen affiliated with the American Federation of Labor. There are still other trade unions which use the label of the American Federation of Labor, either because of the weakness of their organization or because their products are “subsidiary” to a complete product. Such unions are the Artificial Limb Makers, Badge and Lodge Paraphernalia Workers, Soda and Mineral Water Bottlers, Cloth Spongers and Finishers, Makers of Cigar Makers’ Tools, Horse Shoe Nail Makers, Neckware Cutters and Makers, Suspender Workers and Steel Case Makers.

Some trade unions are precluded from the adoption of a label because of the nature of the craft. The Granite Cutters and Stone Masons, for example, cannot use a label upon the stone because it could be readily removed and the employers refuse to allow any design to be cut in the stone. The Glass Bottle Blowers have the same difficulty. The only way in which bottles could be effectively labeled would be to have a fac-simile of the label blown in

the mold. The employers are unwilling to have this done, not because of any particular feeling of hostility toward the union, but because the molds are usually the property of those who have given the contract for the bottles. Though the employers may be willing to use the label, the firms who have given the contract for the bottles may be unwilling to have the label appear upon the goods or on the molds.

The wording of the union label is in a few cases significant. With the majority of trade unions, however, it is of no special import. The Bakery and Confectionery Workers' label bears this legend: "A guarantee of living wages, wholesome and clean bakeries and factories and good workmanship." The label of the Boiler Makers and Iron Shipbuilders states that the product is made by union labor. The legend on the Cigar Makers' label reads as follows: "The cigars contained in this box have been made by a first-class workman, a member of the Cigar Makers' International Union of America, an organization devoted to the advancement of the moral, material and intellectual welfare of the craft." The Iron Molders' label reads: "This certifies that these castings have been made by competent, first-class workmen who are members of the Iron Molders' Union of North America, an organization opposed to inferior and prison made goods." The Paper Makers' label indicates that the purpose of the organization is to demand "a living wage, reasonable and fair conditions for its members." The Upholsterers' label carries this sentence: "The upholstering upon which this label appears was done by a competent workman, a member of the Upholsterers' International Union of North America."

Three factors enter into the determination of the efficacy of any form of trade-union label: publicity of the label, the nature of the material of which the label is made, and the desires of the purchasers.

The label must be sufficiently prominent to be readily observed, yet the character of the product to which the label is attached influences the method of attachment to be adopted. Cigars might have the label on the box or even upon the individual cigars, if the cost were not too great. But hats and clothing must have an attachment of the label which preserves reasonable publicity without giving offense to a sense of propriety.

The form of label adopted by the Hatters illustrates the influence of these factors very well. It is attached to the inside of the hat under the bow of the ribbon on the outside band; and is stitched in such a way that the thread of the label must pass through the bow. The label is concealed, and at the same time it may be readily found by any one desirous of having the label on the product.

The clothing trades are governed by the same considerations in their choice of a mode of attaching the label. The United Garment Workers use a linen label attached to overalls and jumpers in the right hand pocket, on coats in the right hand inside pocket, on vests on the back strap and to the waist-band of trousers. Similarly the Tailors require the label to be attached "on coats in the inside of the breast-pocket. On vests in the middle of the back-strap, or the inside of the waist-band or on the inside of the watch-pocket. The label shall have the edges turned in and shall be stitched in by machine." The Bakery and Confectionery Workers find great opposition to the label pasted directly on the bread. On the other hand, the label affixed to wrapped packages of bread, cakes, candies and crackers meets with favor among the consuming public. In general, it may be said that in case of articles of food the label may be conspicuously displayed, whereas in the case of articles of clothing, such as hats, caps, shoes, etc., the label must be less conspicuously attached.

The Meat Cutters and Butcher Workmen use three forms of label; a label pasted on the carcass in the slaughter houses, another burned in boxes containing pork products packed by union workmen, and a placard to indicate a "Union Market." The Boot and Shoe Workers attach or rather imprint their label upon the sole, the insole, or, since 1902, the lining of boots and shoes made wholly by members of the union. The label of the Typographical Union provides sufficient publicity and causes little offense because of its mode of attachment.

Many suggestions have appeared for a general label of the American Federation of Labor to be used by all affiliated trade unions. The Hatters, United Garment Workers, Shirt, Waist and Laundry Workers, Meat Cutters and Butcher Workmen, Iron Molders, Upholsterers, Retail Clerks, Barbers and Tailors have taken the lead in advocating the adoption of one form of label for all crafts. The Cigar Makers and the Boot and Shoe Workers have opposed any such proposal. Their arguments are: (1) that the distinctiveness of the label of each trade would be lost and since the needs of each craft are different, the principles upon which any demand for the label in a particular trade might be created would thus be destroyed; and (2) that the American Federation of Labor under such a system would of necessity control the label and the propaganda for it. The policy of the American Federation of Labor would thus be abandoned and the industrial form of organization would of necessity replace the existing form of trade affiliation.

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## THE CLOSED SHOP IN THE AMERICAN FEDERATION OF MUSICIANS

BY F. T. STOCKTON

As in the case of other trade unions the Musicians were at first organized in detached bodies. While this state of affairs existed, the question of the closed shop was a matter of merely local concern. In general, it was felt to be distinctly a violation of sound principles for union men to play with a non-union band, while expediency alone determined when a non-union man should be allowed to play in a union band or orchestra.

The first central organization, the National League of Musicians, organized in 1886, enforced the closed shop with some strictness. Its membership was made up of men who had passed a rigid examination and consequently the leader or employer was given no excuse for hiring non-union men on the ground of the incompetency of union members. It was more or less a closed shop of talent and proficiency.

With the introduction of the Musicians into the labor movement, following the formation of the present national organization—the Federation of Musicians—and their affiliation with the American Federation of Labor, the qualifications for membership have been changed so that professional musicians are admitted, with less regard to their ability, and consequently the proprietors and directors of bands and orchestras have repeatedly asserted the right to employ non-union men on the ground of the insufficient skill of union members.

The Musicians insist that every member of the band shall be a member of the union. On account of the character of the trade difficulties are sometimes encountered in carrying out this policy. Under several national rules,

members have been forbidden to play with foreign musicians not eligible for membership, but the Executive Board may grant permission under exceptional circumstances. Union members are allowed, however, to perform with foreign musicians taking out a conditional membership, prior to naturalization. American Indians are considered foreigners, being ineligible to membership, and no member of the Federation can perform with Indian bands or render them any assistance unless they are on semi-governmental duties. Leaders of bands or orchestras except grand opera leaders must belong to the union. Members are not allowed to appear in public with amateur bands coming in competition with bands of the Federation. Some locals even forbid rehearsals with non-members.

The union not only insists on the "simple" closed shop or the complete unionizing of a single band or orchestra, but it has greatly extended the application of the principle of the closed shop. This policy appears to have had its origin in particular circumstances, but it has now become general. The Federation for many years has refused to allow union bands to play in the same parade or on the same occasion with bands composed wholly or in part of enlisted men in the United States army or navy, unless these bands are engaged in the regular performance of their duties. The aim of this policy is to prevent army and navy bands from coming into competition with civilian bands, and to confine them to their own field. The present Federation believes that the only way to stop government competition is to refuse to allow its members to take part in any function in which enlisted men are employed. A fine of fifty dollars is levied for a violation of these regulations, followed, upon second and third offense, by expulsion.

Travelling bands and orchestras, particularly theatre orchestras, have been difficult to unionize, partly on

account of laxity of control over them in the matter of inspection of membership cards, etc. This has been largely remedied, however, by regulations providing that no orchestra composed of Federation members engaged to perform at a theatre by the season shall perform with travelling musicians including leaders other than grand opera leaders, who are not members in good standing. The card system is enforced to carry out this provision. Furthermore, travelling union musicians cannot perform at houses on the unfair list of the Federation, and can only perform at houses on the unfair list of any particular local, provided no non-members are employed.

The closed shop of the Musicians, however, is even more extensive than indicated above. The present rules require that a "reunion, festivity or performance" be considered in its entirety, and that it cannot be split up into separate divisions assigned to union and non-union bands. If a banquet and parade are parts of the same festivity, then a union band must not play for the banquet if a non-union one played for the parade. The only justification for performing in any such function or parade with a non-union band, is that the non-union band comes from a locality over which no local union exercises jurisdiction. Yet even in what are termed "local functions," the consent of the local union must be obtained before union bands can play with non-union bands.

The union went a step farther in this policy in 1908 in providing that all Federation bands contracting to furnish music at summer or winter places of amusement, either in a local or a foreign jurisdiction, for a short or long period, should incorporate in the contract a provision that none other than Federation bands should be employed there during the season. President Weber is doubtful whether this rule can be enforced, but has indicated his belief that the Federation should strive for it as an ideal.

A peculiarity of the Musicians is that many of their members follow other trades. They insist that such members must join the union in his trade, provided the craft is organized and affiliated with the American Federation of Labor. Even if the union in this trade allows its members to work in open shops, the Musicians must work only in a strictly closed shop. Employers of labor are allowed to become members and play in union bands, provided they employ only union labor. In small localities they are needed as competent musicians and besides it is considered wise to have them under union control. The president's decisions have frequently supported this rule. In return for such action, the Musicians expect union men of other trades not to organize bands. If such bands are organized, union musicians will not parade with them, even if the "scab" union band is accompanying its own organization on such an occasion as Labor Day.

All the rules of the American Federation of Musicians with regard to the closed shop are in reality subject to considerable change to meet particular cases of expediency. The President and the Executive Board have authority in most cases to suspend a rule for a certain local, and there have been a large number of such instances.

No agreement for a joint closed shop has been entered into as yet with allied organizations such as the Actors and Stage Employees. Such an attempt would involve the Musicians in countless difficulties on account of the comparatively poor organization or unskilled character of such unions. Attempts have been made to require the use by members of none but union-made music sheets, but such efforts have ended in failure.

The Musicians' membership has been variously estimated to include from ninety to ninety-eight per cent. of all the professional musicians in America. If these figures can be taken as a basis, then at least ninety per



cent. of the bands and orchestras are strictly union. The great majority of concert bands and orchestras, theatre and grand opera orchestras and smaller local bands conform to the closed shop rule.

In enforcing the closed shop no officer resembling the shop steward of other unions is employed. Each member is held personally responsible for working with non-members and is required to ascertain for himself the standing of each man with whom he performs. Only in the case of travelling musicians does a rule of the Federation require the card to be shown to the local leader. A reasonable time is usually allowed a non-union man in which to apply for membership.

The Federation has exceptional advantages for enforcing the closed shop, because in case of a demand for certain instruments, controlled by union men, a determined stand on the part of a few men would cause the unionizing of a whole Symphony orchestra. The closely interlinked relation of employer and employee also affords a condition of minimum friction in the enforcement of all union rules. Up to the present date the Federation seems to have had exceptional success in the carrying out of its closed shop policy.

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## EARLY STATUS OF LABOR IN MARYLAND

BY H. WIRT STEELE

Maryland was settled under a royal charter, granted to Lord Baltimore, in 1634. Under this charter the Province was given the right to make laws for itself, the right to veto remaining with the authorities in England. The Lord Proprietor gave the privilege of initiating and enacting laws into the hands of the Assembly of the people.

The right to veto was rarely, if ever, exercised. The Assembly became immediately representative in form. The Proprietor was represented by his appointee, the Governor; there were half a dozen councilmen, and the freemen of the colony appointed representatives to speak and act for them in the Assembly, which met at the first little settlement of St. Mary's on the lower Potomac river.

While the charter expressly stated that the foundation was made for the dual purpose of extending English territory and of carrying Christianity to a savage people, "who knew not God," yet we find no records of a serious effort on the part of the colonists toward an evangelization of the Indians. On the contrary, the settlers began to make war on the Indians and to enslave the captives taken in such warfare. These Indians constituted the first servants of the colonists, to be followed very soon by blacks from Africa and indentured white servants from England and Ireland.

The number of Indian servants held at any one time is not known, as they were always classed and counted with the black slaves.

Although the custom of Christians enslaving Christians had died out in Western Europe in the early Middle Ages, and villeinage even, had disappeared long before the settlement of America, the settlers found little difficulty in persuading themselves that they needed the institution of slavery in order to develop the province. When or by whom the first African slaves were brought to Maryland is not known, but there is a record in the Maryland Archives of a bargain between Governor Calvert and a certain shipmaster eight years after the founding of the colony whereby the shipmaster was to deliver thirteen slaves at St. Mary's.

The status of slaves was not changed by their conversion to Christianity or by their baptism. The testimony of the negro or Indian was not received as evidence in law

in cases in which Christian whites were involved. Stringent laws were made respecting their marriage and issue. The marriage of blacks and whites was early forbidden, as was the intermarriage of bond and free. A white woman marrying a negro slave was obliged to become a slave herself, and her issue, if any, was obliged to serve as a slave for thirty years. White men marrying negro slaves were likewise impressed into servitude for varying terms of years, and the issue of such marriages were obliged to serve for thirty years. Negro slaves were taxed with an import duty of twenty pounds, and after importation on the same basis as real estate, being assessed by the same officials who assessed other property. Efforts toward the abolition of slavery began early in the history of the colony and continued intermittently until the institution was abolished entirely by the constitution of 1864. Slavery seems to have been attended with many trying drawbacks as an industrial institution. Repeated references are found to losses occasioned by runaway slaves, by slave insurrections, and incidents of like nature. The punishment of slaves was severe, although probably less so than many historians have indicated. Laws relating to the punishment of slaves seem extremely severe, yet evidences of their rigid enforcement are rare.

The humanitarian attitude of many masters toward their slaves and servants is shown in deeds of manumission and gifts of land and goods with their freedom. There was no legal regulation of manumission for one hundred years after the settlement of the Province. During that time manumitted slaves could hold land, though there was a question as to their ability to convey it. Manumission became more common during the latter part of the eighteenth century, as indicated by the Acts of 1793. By that time slave owners were beginning to feel the burden of supporting old and decrepit slaves, and frequently gave such their freedom. According to the Act

cited, this, thereafter, became an illegal act. In cases where slaves were manumitted by will, they were subjected to taxation the same as other legacies, under the Act of 1844, which was upheld by the Court of Appeals in 1848. A little later, an attempt to impose the condition upon manumission that freed slaves should migrate to Africa or elsewhere was frustrated by a decision of the Court of Appeals. Manumission was prohibited in 1860, but was again granted by Act of 1864, six months before slavery was abolished.

The freed negro was very generally discriminated against, socially and industrially. In January, 1807, a bill passed the House forbidding free negroes or mulattoes to move into Maryland. No settler could employ or harbor a non-resident free black. As late as 1823 a supplementary act declared that no length of residence would exempt such an immigrant negro or mulatto from punishment, and offenders might be punished again and again. Any negro who left Maryland and remained away over thirty days was deemed a non-resident. In 1839 the law was amended so as to except black or mulatto servants who were travelling with their masters, and, to encourage colonization, blacks and mulattoes might go and come at will between Maryland and Liberia. Later this was extended to Trinidad and British Guiana.

The constitution of 1776 gave the right of suffrage to all free men who held a certain amount of property, and for a number of years some free blacks voted at the elections, but an amendment to the constitution in 1810 limited the right of suffrage to whites. Free negroes were drafted into the militia of the State, but we find little or no record of their efficiency or force, or of their numbers.

Property-holding blacks were taxed for public school purposes without having provision made for the education of their children from the public funds. Later school taxes were levied in some counties upon parents of school



children only, but later separate schools for negro children were established in all the counties.

Many occupations were open to free negroes, although they could not become licensed peddlers or masters of boats of any size on the Chesapeake Bay. It is notable that they had very little difficulty in securing licenses to sell intoxicating liquors, and many of them availed themselves of this opportunity to get into business. By an Act of 1852 this privilege was taken away for the free blacks in Somerset, Worcester, and Anne Arundel counties. There are some records of disturbances between black and white artisans, one notable instance occurring in Baltimore City and involving two groups of ship caulkers. The city police had to be called upon to keep the peace. Many free blacks, lacking the restraint formerly provided by a strong master, became shiftless and vagrant. Such were frequently arrested and resold into slavery, usually for a fixed number of years. Others were committed to jail. The children of lazy, worthless negroes were bound out, as were the children of pauper or vagrant whites under the apprenticeship act of 1786. Free negroes were punished for all the minor offenses in similar method as slaves were punished, but not so severely. After the building of the penitentiary, in 1811, slaves were not committed to it, but free negroes were. After 1817 no colored person could be sentenced to the penitentiary for less than a year, and in 1825 the bill prohibiting the commitment of free blacks to the penitentiary was passed. Many such who would have been committed there were sold into slavery outside the State.

The American Colonization Society was organized in 1817 and carried on an active effort to transport free blacks and mulattoes to Liberia. Results of the work of this society do not seem to have effected either a great reduction in the number of free blacks in Maryland or to have warmed the feeling of the whites toward them.

During the following years we find many instances of the alarm of white settlers on account of reported insurrections of negroes, although any authentic record of any such insurrections having occurred are lacking.

Much of the real economic progress of the Province seems to have been made with the assistance of indentured, white servants, who were in effect practically slaves for a term of years. These servants were collected in England and Ireland by persons who were given a grant of land for bringing them to this country. They were, in many instances, persons too poor to pay their passage to the New World, who were willing to enter into a contract of servitude to secure transportation and an opportunity to get a start, after a number of years, here. Others were convicted offenders banished by order of the crown, still others were paupers and ne'er-do-wells, transported by order of the authorities. Many such servants later became members of the Assembly, and helped to frame laws favorable to the servant class. The institution, however, enabled the early settlers to establish a landed aristocracy, which exerted a great influence on the whole subsequent development of Maryland. Many such servants acquired land and themselves became a part of the gentry of the Province and the State. Some of them founded families which have long been prominent, socially and commercially, in Maryland.

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## THE SHORTER-DAY MOVEMENT OF THE CARPENTERS IN 1893-94.

BY E. T. CHEETHAM

For twelve years preceding, there had not been such a depression in the building trades as in the winter of 1892-93. More than one-half the carpenters of the country were out of work and many were actually suffering from a lack of the bare necessities of life. From all quarters came the cry of "dull trade" and "hard times." With the opening of spring trade conditions were somewhat ameliorated until the panic came upon the country in June.

The contractors at once felt the influence of the financial stringency, as many intended building operations were abandoned and work under way was in many instances stopped. At the same time employers of carpenters attempted to take advantage of the situation to force the men who had been conceded the shorter day to work longer hours and for less wages, or, in other cases, to block the efforts for a shorter day. The mill men seemed to be a favorite object of attack. This was all the easier because the house carpenters were not in a position to refuse to handle sash and door work made in "unfair" mills. Their hold on the shorter day was often too feeble to be jeopardized by fighting the battle of the mill men.

Various tactics were adopted by the employers to frustrate the shorter-day movement. The following are examples:

1. The Germantown (Pa.) local had a nine-hour day; the employers offered the men a Saturday half-holiday in its stead, urging the men to work extra each day to make up the time. The local fought the change and maintained the nine-hour day intact.

2. The Washington carpenters consented to a reduction of twenty cents a day, in the season of 1893, to secure the eight-hour day. In April of 1894 the contractors endeavored to return to a nine-hour basis with the eight-hour rate of wages. They were unsuccessful, Washington remaining in the eight-hour column.

3. In March, 1893, the Chicago carpenters renewed a two-year agreement with the Carpenters and Builders' Association for an eight-hour day at forty cents an hour. In September the contractors reduced wages ten to fifteen cents an hour. There was some excuse for the violation of their agreement; for, as early as May, there were fully 7,000 idle carpenters in Chicago. There was a constant influx of carpenters seeking work, and the Chicago labor market was glutted. The question was ultimately referred to arbitrators, who awarded the contractors a reduction of five cents an hour on the wages and the men a continuance of the eight-hour day.

4. In Boston a scheme of procrastination was adopted. The Builders' Exchange and Contractors of Boston promised in June, 1893, by agreement to grant the shorter day, to go into effect on November 1 of the same year. The men were jubilant and hailed this as a victory. But they were destined to disappointment, Boston not being placed in the eight-hour column until 1896.

To add to the causes militating against the movement, especially in the weaker locals, the St. Louis Convention of the Carpenters held in 1892 had imposed increased dues. This no doubt strengthened the organization as a national body, but it forced out many small local unions; and General-Secretary McGuire stated in his 1894 biennial report that fully forty per cent. of the lapses in the two years preceding were due to that cause.

In the midst of this period of stress the Carpenters did not lose heart, and not only set plans on foot to keep their organization intact, but fought all along the line



for the shorter day. Where it was impossible for men out of work to pay their dues indulgence was granted, or their dues were remitted in part or entirely. Strikes on other issues were avoided as far as possible and the strength of the organization was concentrated on the enforcement of the eight-hour day. The following table shows the number of cities involved in strikes in the panic period of 1893-94 as compared with the two years preceding:

	Number of Cities Involved.			
	1891	1892	1893	1894
For higher wages.....	24	29	28	..
For eight hours a day.....	22	6	10	4
For nine hours a day.....	107	65	27	7
For shorter hours Saturday.....	3	15	6	..
Against reduced wages.....	13	7	14	20
Lockouts .....	..	6	..	..
Total.....	169	128	85	31

Not only was a conciliatory policy pursued, but every effort was put forth to further the cause of the Carpenters in the shorter-day movement by means of public lectures by the ablest advocates of the Carpenters, sent out by the General Executive Board; by a reduction of initiation fees to a nominal sum so as to permit out-of-work non-union carpenters to join the union; by social gatherings, at which lecturers pleaded the cause of the union and where personal work was done to make converts.

In the two years 1893-94, as the following table shows, the membership was reduced about one-third:

Year.	No. Locals in Good Standing.	Charters Granted.	Charters Surren- dered.	Net Gain in No. of Locals.	Members in Good Standing.	Gain in Members.
1891.....	798	215	114	101	56,937	3,168
1892.....	802	147	167	4	51,313	*5,624
1893.....	716	104	190	*86	54,121	2,808
1894.....	587	56	185	*129	33,917	*20,204

\*Loss.

The gain in members of 2,808 in 1893 and the loss in locals of 86 in the same year may be accounted for by the policy of consolidating locals to save expenses and to make the organization more efficient by united action. The table shows a loss of locals in the two years of 215, or about 21 per cent. As there was a loss of 17,396 in membership, or about 33 per cent., the percentage of loss was greater in membership than in locals. Therefore there must have been a considerable defection from the ranks of locals which retained their charters. From the table above it appears that in 1891 there was an average of 63 members to a local; in 1894 there was an average of only 58.

Undoubtedly the most devoted men remained in the locals; the weak men left. The panic left the actual fighting men to carry on the battle unhampered by "camp followers." Indeed the treasury reports showed the financial strength of the union to be increasing. Whereas at the St. Louis Convention of 1892 there was a cash balance of \$55.23, the books showed, on July 1, 1894, a balance of \$5,275.54; and of the special organizing funds provided for at the St. Louis Convention there was a balance of \$1,916.31, after expending \$6,000.99 during the panic period.

Finally, the following incomplete table, made up from lists of cities published in *The Carpenter*, shows an actual increase in the number of cities working eight and nine hours, in the period of 1893-94:

Number of Cities Working 8 and 9 Hours.

1893	8 Hours	9 Hours
February .....	47	400
August .....	46	388
September .....	46	380
October .....	49	399
November .....	49	402
1894		
January .....	49	399
February .....	49	...

March .....	49	404
April .....	49	...
July .....	51	412
August .....	52	422
September .....	52	422
October .....	52	...
November .....	..	422
December .....	52	...

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## CONVICT LABOR IN THE MARYLAND PENITENTIARY

BY A. O. MULLEN

During the past nineteen years, convict labor has been conducted in the Maryland Penitentiary with great financial success, both to the State of Maryland and to the convicts confined in the institution. The labor is employed under the contract system, but the convicts remain entirely and directly under the authority and control of the Warden.

At the close of the fiscal year in 1908 there were 427 men and 86 women working for the Expert Manufacturing Company in the manufacture of shirts, 267 men working for the Baltimore Boot and Shoe Manufacturing Company, making shoes, and 219 men at work for the Jones Hollowware Company, moulding and casting hollowware.

The work done under these contracts is carried on by the task system. A certain amount of completed work is fixed as a task and this task the convict is required to do. For this the State receives whatever price is fixed by the terms of the contract. If the contractor does not furnish the work, he must pay the State the stipulated sum whether the convicts assigned to him do any work or not. The assignment of convicts to the different contracts is

made personally by the Warden, who takes into account their previous occupations, and their physical condition at their reception. In case the convict does more than the task set for him—the task, of course, being a daily one—the contractor must pay him through the office of the penitentiary for whatever he does over and above, at the same rate as that which he pays the State for the task. If he is incapacitated by reason of ailment, sudden illness, etc., and is exempted from work by the Warden or physician, the State does not take all that he has made that day previous to his becoming incapacitated. For example, if he has worked a half-a-day, the State charges the contractor for half a day. His task, then, for that day becomes one-half a task and all that he has made over that one-half task is credited to him as overwork. The administration pursues this policy in order that the convict may feel that it is satisfied to have him share with the State as far as possible the reward for his labor.

The tasks are fixed by the Warden, who of course hears whatever representations the contractors have to present, but in the end decides according to a well-defined plan. It is intended that the highest possible number shall be able to make at least some overwork and thereby earn something for themselves. The number who are unable to do more than a task is comparatively small. The contractors must take the convicts assigned to them and are not allowed to judge as to their ability or fitness for the work they are to perform.

Thirty days are given the prisoner in which to learn his task and during that time the contractors do not pay, either the State or him, anything for his services unless they—the contractors—are satisfied to have him go on time, in which case the same obligations obtain as though the convict had served his thirty days' allowance for learning his task. From that time he must do his task and the contractors pay for him according to the terms of



the contract. If for any reason he is changed from one contract to another, the same rule applies as at the beginning. Of course when he is sick, excused or under punishment for misbehaviour he does not earn anything either for himself or the State. His earning capacity also ceases when he is taken off the contract and put to work for the State, i. e., to do the necessary work attendant upon the conduct of the institution, such as cooking, baking, tailoring, mending, etc.

The contractors need also a number of convicts to do work for which it is impossible to fix a task. In these cases the State receives the regular price and the contractors pay the prisoners thus engaged an additional amount for themselves commensurate with the work they do. Thus it is possible for them to earn something for themselves. Some of the convicts who are especially adept and industrious, particularly those in the foundry, are able to put up so much work that after the iron is poured they cannot knock it down and cut their sand in the required time. In these cases the Warden allows them to hire a fellow prisoner to assist them with that part of it. Sometimes the helper receives as high as twelve dollars a month for these services. The amounts which the prisoners earn for themselves vary. Sometimes a man of exceptional ability and adeptness has earned as much as fifty or sixty dollars a month. The amount earned by the prisoners for themselves during the last twenty-one years, as recorded in the Annual Report of the Maryland Penitentiary for 1908, was \$440,137.30.

Only the *labor* of the prisoners is assigned to the contractors. The contractors have no judicial or corrective authority over the prisoners whatever. Neither the contractor nor his agents are privileged to call the prisoner to account for anything that he may do. While he is at work he is under the supervision of an officer of the

institution and if he needs correction or admonition it is done under the personal direction of the Warden.

The money which is earned by the prisoners for the State is utilized in defraying the expenses of the institution and what remains after these expenses have been met is turned over to the State at the close of each fiscal year as a surplus. That which the prisoner earns for himself he uses practically in the same way in which he would use it were he free. Sometimes he saves a considerable portion of it until the expiration of his sentence. If he has a family or dependents, he almost always assists them, and usually to a degree which closely approaches the limit of his ability. To be sure, the amounts at his disposal depend altogether upon his own ability and alertness in doing overwork.

The Maryland Penitentiary is one of the prisons which undoubtedly occupies a separate place in the position to which it has advanced the system of convict labor. The one controlling factor which has thus elevated it, is just as undoubtedly to be found in the person of its present Warden, Mr. John F. Weyler. To Mr. Weyler is due that directive energy and those administrative qualifications which have made the Maryland Penitentiary what it is. With a well-settled opinion that the surplus which is turned over to the State, should as near as possible be paralleled by the amount earned by the convicts themselves, he has kept the elements with which he has had to deal in such equipoise that he has been able to accomplish this result almost to the dollar. The surplus in the twenty-one years of his wardenship has reached the sum of \$442,974.82, while the earnings of the convicts in the same period, as before stated, was \$440,137.30.

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## POLICY OF THE GLASS BOTTLE BLOWERS' UNION TOWARD MACHINERY

BY A. B. MORTON

The first machines for blowing glass bottles were the Arbogast and Ashley, introduced in the late eighties. Both of these were crude and defective but they proved to the industry that glass bottles could be made by machines. That they did have a definite influence is shown by the enactment of the following rule by the union: "No member of this association shall be allowed to blow bottles for any kind of finishing machine,—[or] to use Ashley's Bottle-blowing Machine or any other bottle-blowing machine for making bottles, vials and jars in any factory controlled by this association."

In 1896 a machine for blowing fruit jars was introduced and it was so successful that others were soon installed in various parts of the country. The matter was brought up in the convention of the Glass Bottle Blowers and a committee advised that the union should take steps to secure for its members the exclusive right to operate the machine. The union was not convinced and refused to repeal the rule prohibiting the use of machines.

It was estimated that during the season of 1897 one hundred and seventy workmen were thrown out of employment by the introduction of machines. The session of 1897 passed the following tentative resolution: "Whereas machinery and other inventions tending either to displacement of our members rendering it absolutely necessary that this organization provide employment for our members who are unable to make any other ware but fruit jars and those who by reason of age or otherwise who have found it impossible to keep pace with progress of bottle department and find their general skill ineffi-

cient, while we highly endorse the efforts of the organization in its increasing endeavors to obtain the fruit-jar machine without supervision, yet, in failure to accomplish this end, we must necessarily provide against idleness and unemployment to any extensive degree in our midst, thus hindering wisely any stampede to non-union houses; with this in view, we earnestly recommend that the most careful attention, persistent thought and discussion be given this subject by the entire organization at its respective local meetings to the end that the convention may be enabled to become thoroughly acquainted with this new problem which we all realize is fraught with much concern."

As the machines for making fruit jars were more and more widely introduced the officers of the union agreed to cut in half their list price in order to enable the employers of blowers to compete with employers using machines. The officers of the union endeavored also to secure work as operators of machines for the displaced craftsmen. In 1899 the rule forbidding members to work on machines was formally revoked and since that time the union has bent its energies to securing the work on machines for its members.

The Glass Bottle Blowers' Association contested any attempt by the employers to reduce the wages of machine operators below that of other workmen. In the early types of machines, a skilled man was necessary to realize their full productive capacity. The union proved to the employer that its members were capable of operating the machine and claimed for them the same rate of wages that they had always had.

The policy of obtaining jurisdiction over the various machines met with great opposition from the American Flint Glass Workers' Union. The "Flints" had been using machines in their prescription bottle department for some years. It may be well to state broadly the



position taken by the two unions, without going into details. The Glass Bottle Blowers' Association sought control over the operation of the machine on the ground that it was making a class of bottles which their members had formerly made and that if any mechanical device could assist in their production, the operation of such device was within their jurisdiction. The "Flints" took the view that since similar machines had been first operated by their members for making certain classes of ware, they had jurisdiction over it. The two views resolved themselves into the question as to whether jurisdiction followed the handicraft or the trade. This difference has been a source of weakness in dealing with the machine. The bitterness of feeling engendered has been evinced by the opposition which the Glass Bottle Blowers' Association has made to the grant of a charter by the Federation of Labor to its rival.

In 1903 appeared the automatic bottle machine, invented by Michael Owen. Hitherto all types of machines had been confined to the manufacture of comparatively few classes of ware,—chiefly fruit jars; or to a particular part of the manufacture, such as finishing machines. The new type of machine was capable of making the completed bottle, and as it went through stages of development, showed itself able to compete in fields hitherto held by the blower. The importance of the automatic blowing machine was not realized until 1905, because of certain defects which restricted its utilization. The new machine, as its name indicates, displaces entirely all skilled glass-workers. It was employed at the outset entirely in the manufacture of cheap heavy-weight ware such as beer bottles and it soon controlled this entire field. Its influence on the industry can be best understood from an estimation made by President Hayes in 1907: "The Automatic presents greater difficulties than the linotype because it operates independently of skilled

glass-workers, neither blowers, pressers, or gatherers being required. From one of these machines, working in 1905, the number that will be in operation early the coming season will be 36. If statements concerning their productive capacity can be relied on, this number will make over 1,000,000 gross of bottles in a year. It works every hour in 24, and its season is not limited to 10 months."

During the early stages of its development the automatic machine was confined to making the cheap heavy-weight ware which, even under the older processes, did not require much skill. This left the blower free from competition in the high-price light-weight goods, which demanded highly skilled workmanship and better grades of material. The machine is now making whiskey and catsup bottles and the limit of its field cannot be stated. In making drug, perfumery and chemical ware, the machine is not as yet effective.

At the convention of the Glass Bottle Blowers held in 1908, President Hayes reported that thirty-six automatic machines were already in operation and recommended that the union should adopt the following policy: (1) The organization of all classes of glass bottle makers in a single union. (2) The adoption of the three-shift system. By this means, a reduction in the hours of labor and a distribution of work would be accomplished. Also employers would be enabled to run their factories continuously, and to compete more effectually with machinery. (3) "The prevention of an unnecessary surplus of workmen. . . . In this respect our first duty would be to our present membership."

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## THE NON-UNION MAN IN THE SHEET METAL TRADE

BY F. E. WOLFE

The term "non-union man" as used by the Sheet Metal Workers includes every man who works at the trade without joining the union, from the man who has never had an opportunity to join, to the professional strike-breaker. The term "scab" is used to designate a man who has renounced allegiance to the union. Some of the terms applied by the unionists to the non-union man are: non-unionist, anti-unionist, scab, "social renegade," "traitor," "industrial thief," "moral leper" and "industrial Ishmaelite."

The reasons given in the Metal Workers' Union for hostility to the non-union man, roughly enumerated, are as follows: The non-union man, by accepting lower wages and longer hours, sets the standard of living for the whole craft; the non-union man, or "scab," deprives men of work who are often out on a just strike; the non-union man who demands and receives union wages and hours reaps union advantages without sharing any of the burdens, and furthermore, in case of dispute with the employer is a possible menace to enforcing the union rules. The union's attitude toward the non-unionist as stated by one of the business agents is one of "contempt and of pity," because of his ignorance. Mr. Bray, editor of the Sheet Metal Workers' Journal, says: "No man of honor will ever take the place of those who are forced to suspend work in their endeavor to obtain justice."

The extent to which this hostile and contemptuous feeling toward the non-unionist may go was illustrated in one of the bitterest strikes in the history of the International

Alliance,—that of Local Union No. 65, of Cleveland, O., during nearly a year of 1905-06, for \$3.00 per day minimum instead of \$2.50. In his official report, November, 1905, after the strike had been on nearly six months, the general organizer said: "The members of No. 65 are still fighting, and the way they are disposing of 'scab-made' material, and forcing the substitution of union-made material is most gratifying from our point of view." On one street a house was all completed, the metal work having been done by unfair men. All the sheet metal work on this building including cornice and skylights and steel ceilings was taken down and thrown into the street. On another job done by unfair men, the contract amounting to something like \$3,000, every ounce of sheet metal work had to come off the building. In another place ten bay windows all covered with galvanized iron by "scab" labor were stripped and the material thrown away. A number of other ceiling, cornice, and skylight jobs, done by non-union men, were torn down. Each of these jobs was reconstructed by union men, while the strike was gradually being settled.

It has been said that "if an industry is conducted in such a manner that non-unionists cannot be utilized to menace the position of unionists the lines are not drawn tightly,"—that is, are not drawn tightly against non-union men. Mr. F. W. Hilbert in his paper on "Agreements in the Iron Molders' Union," states that at the time he wrote although few of the agreements of the Iron Molders provided for the exclusive employment of union men, yet there were many shops where only union men worked. The explanation lies in the fact, that the union had so thoroughly organized the trade that nearly all the best molders were in the union, and whenever a founder increased his force it must be with union men. Likewise when a founder tried to operate his foundry with non-



union men in time of strike, few skilled molders could be obtained.

It may be safely stated that the Sheet Metal Workers have not yet reached a position where, by virtue of a large skilled membership, non-union men cannot be used to menace union conditions. In 1903 the number of members of the International Alliance reported at convention was 11,320; in 1904, 16,360; in 1905, 13,900; at the 1907 convention, the last, 16,700, showing only a total increase of 240 members from 1904 to 1907, years of great industrial activity. The general organizer at the 1907 convention reported that there were many cities with a population ranging from 25,000 to 150,000 without unions of sheet metal workers.

A description of the extent of the organization of the Sheet Metal Workers in Baltimore will perhaps add concreteness to a statement of the causes of non-unionism. There are in Baltimore about 350 sheet metal workers in the union; and 400 outside the union. An official list of the union shows that there are in the city and vicinity forty-four shops that are "fair" to union sheet metal workers. The larger shops, with few exceptions, are "union." Personal visits to a sufficiently large number of both union and non-union shops lead to the conclusion that conditions in most of the latter shops are inferior to those in the former. Four of the most important non-union shops have previously been union shops. The reasons which employers give for going back to conduct non-union shops are the inefficiency of union men and the dictatorial methods of the union. Two of these employers claim they are giving union wages and hours to their employees, but this is contradicted by the unionists.

Ineligibility and indifference to organization are the chief causes for the existence of the large non-union class. High initiation fees, dues, and assessments keep some men out of the union. The initiation fee in the International

Alliance is a sum equal to the amount made in one hundred hours of work according to the wage scale of each local union. In Baltimore, for example, it is thirty-seven and one-half dollars. Ineligibility is responsible for part of the non-unionists. According to the business agent of the Baltimore union about 200 of the 400 non-unionists are ineligible. The by-laws of the Baltimore union provide for the examination of all applicants for membership by an examining board. All who have not served the three-year apprenticeship, or who are known to be incompetent from any cause, or who cannot satisfy the examining board as to their ability as mechanics are denied admission.

The Sheet Metal Workers exercise pressure on non-unionists to join by excluding them from working with unionists. In 1902 an agreement was signed by the Sheet Metal journeymen and the Master Craftsmen of Baltimore, which contained the following provision: "The wages per day shall be \$2.50 as a minimum and only members of the union shall be employed, except in cases of emergency, when non-union men may be employed provided at the expiration of one week they become members of the union." Since 1902 this policy of refusal to work with non-union sheet metal workers under any circumstances, has been strictly maintained. No strike nor serious difficulty has been reported as a result of enforcing this position. The present by-laws of the union provide that "no member shall be permitted to work on any building where non-union sheet metal workers are employed"; nor "shall be permitted to use, work or erect any material manufactured in a non-union or unfair shop." Members, however, will work on jobs at which non-union men in other trades not well organized are employed. Action has been taken recently to avoid, by means of the assistance of the Building Trades Depart-

ment of the American Federation of Labor, the working with non-union men even under these conditions.

The earliest International Sheet Metal Workers' constitution available, that of 1891, provided and each succeeding constitution has provided that "there shall be appointed by the president of the local union in each shop represented therein, a steward, whose duties shall be, when a non-union man comes to work in said shop to invite him in a gentlemanly manner to join the union, and if he refuses to do so, the steward shall report him to the union for such action as they deem best."

Local conditions have, however, usually been allowed to determine the action of locals in dealing with non-unionists. In 1902, Local Union No. 13, of Chicago, signed an agreement with the employers of that city and Cook county by which members of the union were to work with non-union metal workers on any building, or in any shop, or job, if a sufficient number of union men could not be furnished; no sheet metal worker was to leave work because non-union men in some other line of work or trade were employed at the same job. Local Union No. 346, Assortment Workers of Cincinnati, in 1905, struck a shop to compel one non-unionist to join the union or leave the work, and were successful. In 1905 Local Union No. 135, of Jacksonville, Fla., was allowed by the Executive Board of the International Alliance to use its own best judgment as to whether or not it would work with non-union men. In 1906 Local Union No. 39, of Syracuse, N. Y., after being on strike eleven months, entered into an agreement with their employers by which they were to work with non-union men. The president of the International Alliance at once revoked the charter of the union on the ground that the principles of their international laws and of the trade union movement had been violated.

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*Note.* Course 2 is open only to such students as have completed course 1; and, save under exceptional circumstances, course 3 only to students who have completed 1 and 2.

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## TRADE-UNION STUDIES

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Since October, 1902, the Economic Seminary of the Johns Hopkins University has been largely engaged in investigating certain phases of American trade-unionism. Some results of this investigation have been published, as follows:

**The Finances of American Trade Unions.** By A. M. Sakolski. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**National Labor Federations in the United States.** By William Kirk. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**Apprenticeship in American Trade Unions.** By James M. Motley. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)

**Beneficiary Features of American Trade Unions.** By James B. Kennedy. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)

**Bibliography of American Trade-Union Publications.** *Second Edition.* Edited by George E. Barnett. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**Studies in American Trade Unionism.** Edited by J. H. Hollander and G. E. Barnett. (Cloth) \$2.75. (Henry Holt & Co., New York.)

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The Johns Hopkins Press invites subscriptions to a reprint of four important economic essays of the eighteenth century, to be issued consecutively under the editorial direction of Professor Hollander:—

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**Longe**, "A Refutation of the Wage-Fund Theory." London, 1866. Price, 75 cents.

**Malthus**, "An Inquiry into the Nature and Progress of Rent." London, 1815. Price, 75 cents.

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THE  
ECONOMIC SEMINARY  
1909-10

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## CONTENTS

	PAGE
THE ECONOMIC SEMINARY, 1909-10 . . . . .	1
The Ricardian Background. By JACOB H. HOLLANDER, . .	3
The "One Man Office" and the Typographical Union. By GEORGE E. BARNETT, . . . . .	8
The Size of European Freight Cars. By LOGAN G. MCPHERSON, .	15
The "Check-Off System": A Method of Closed Shop Enforce- ment. By FRANK T. STOCKTON, . . . . .	19
Convict Labor in the Maryland Penitentiary. By A. O. MULLEN, . . . . .	25
The Bricklayers in the Shorter Day Movement, 1865-75. By E. T. CHEETHAM, . . . . .	30
Restriction of Admission to Membership in the Glass Bottle Blowers' Association. By F. E. WOLFE, . . . . .	34
Machinery in the Window Glass Trade. By A. B. MORTON, .	38
The Early Cigar Makers' Union of Baltimore, 1856-1863. By M. H. HOURWICH, . . . . .	43
COURSES IN POLITICAL ECONOMY OFFERED BY THE JOHNS HOPKINS UNIVERSITY, . . . . .	47
TRADE-UNION STUDIES, . . . . .	51
A REPRINT OF ECONOMIC TRACTS, . . . . .	52
CURRENT NOTES, . . . . .	53

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## THE ECONOMIC SEMINARY, 1909-1910

Edited by PROFESSOR JACOB H. HOLLANDER and Associate  
PROFESSOR GEORGE E. BARNETT.

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The Economic Seminary has continued during the current academic year its investigation of American trade unionism. Substantial progress has been made in prosecuting the inquiries already begun, and certain other aspects of the subject are being studied, notably, trade union jurisdiction, and the history and activities of the Cigar Makers' Union. In the summer of 1909 each member of the Seminary carried on field work in connection with the particular phase of the subject in which he was interested. The summer work was fruitful also in adding materially to the large collection of trade-union publications in the possession of the University.

During the year the American Economic Association published as one of its monographs "The Printers: A Study in American Trade Unionism," by Dr. George E. Barnett,—an outgrowth of Seminary activity.

Three monographic studies, submitted by members of the Seminary, in part fulfillment of the requirements for the doctor of philosophy degree are now in press, for is-



sue in the *Johns Hopkins University Studies in Historical and Political Science*, XXVIII Series, as follows: "The Trade Union Label," by Ernest R. Spedden; "The Standard Rate in American Trade Unions," by David A. McCabe; and "The Government of American Trade Unions," by Theodore W. Glocker.

The record of the proceedings of the Seminary, and abstracts of certain papers presented are appended:

Oct. 14—Reports on summer field work by Professor Hollander, Dr. Barnett, Messrs. Stockton, Mullen, Cheetham, Wolfe and Morton.

Oct. 20—"The Swedish General Strike," contributed by Mr. Gosta Bagge, of the Swedish Labor Bureau.

Oct. 27—"The Simple Closed Shop," by F. T. Stockton.

Nov. 11—(a) "The Shorter Work-Day Movement in American Trade Unions," by E. T. Cheetham; (b) "Investigations by the British Board of Trade Into American Industrial Conditions," by J. R. Cahill, of London, England.

Nov. 17—"Some Conclusions from a Study of the Printers," by Dr. George E. Barnett.

Dec. 1—"The Injunction Proceedings in the Case of Buck Stove and Range Company vs. Samuel Gompers, John Mitchell and Frank Morrison," by Dr. W. F. Dodd.

Dec. 9—"The History of Convict Labor in the Maryland Penitentiary from 1831 to 1851," by A. O. Mullen.

Dec. 15—"Membership in the Molders' Union," by F. E. Wolfe.

Jan. 7—"The Glass Industry," by A. B. Morton.

Jan. 12—"Some Aspects of Trust Finance," by Prof. Royal Meeker, of Princeton University.

Jan. 20—"The Extended Closed Shop," by F. T. Stockton.

Jan. 26—"A Theory of Railroad Freight Rates," by Prof. Royal Meeker.

Feb. 3—"Early Social Legislation in Maryland," by H. Wirt Steele.

Feb. 9—"Tenement House Factories and Immigration," by Marie H. Hourwich.

Feb. 17—(a) "The Window Glass Workers," by A. B. Morton; (b) "White Servitude in Maryland," by H. Wirt Steele.

Feb. 23—"Effect of Machinery in the Glass Trade," by A. B. Morton.

Mar. 3—"The Mechanism of Closed Shop Enforcement," by F. T. Stockton.

Mar. 9—"Membership in the Unions of the Glass Industry," by F. E. Wolfe.

Mar. 17—"Convict Labor in the Maryland Penitentiary from 1851 to 1895," by A. O. Mullen.

Mar. 23—"Membership in American Trade Unions," by F. E. Wolfe.

Mar. 31—"The Early Cigarmakers' Union of Baltimore," by Marie H. Hourwich.

Apr. 6—"The Joint Closed Shop," by F. T. Stockton.

Apr. 14—(a) "The Shorter Work-Day Movement in the Bricklayers' Union," by E. T. Cheetham; (b) "The Development of Labor Legislation in Maryland," by H. Wirt Steele.

Apr. 20—"Union Alliances in the Printing Trade," by Dr. George E. Barnett.

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## THE RICARDIAN BACKGROUND

BY JACOB H. HOLLANDER

Ricardo was born in 1771 and died in 1823. Just as Adam Smith's career extends over the second and third quarters of the eighteenth century, Ricardo's life thus includes the last quarter of the eighteenth century through the first quarter of the nineteenth. It is practically coincident with the fifty years of English history which intervene between the American Revolution and the full recovery from the Napoleonic War, which remove the organization of the London Clearing House in 1775 from the panic of 1825, and which separate the appearance of the "Wealth of Nations" in 1776 from the issue of McCulloch's "Principles of Political Economy" in 1825. To the historical economist, it is the fifty years of the Industrial Revolution; to the political historian, it is the half century of the Napoleonic Influence; to the historian of economic thought, it is the dawn and early morning of the classical political economy.

In this half century there are at least three phenomena which in absolute importance and in far-reaching influence, dominate the period. These are agricultural ferment, industrial activity and financial expansion. It is hardly too much to say that from 1775 to 1825, no intelligence in any degree interested in economic happenings was evolved in England which did not in its growth

reflect the presence and working of these factors. They loom forth with determining boldness in what might be termed the Ricardian background, and they constitute over and above everything else the material elements in Ricardo's mental history.

The three phenomena are organically related and the clue to the sequence is the progress and issue of the contest with Napoleon. The fifty years of struggle, imperfect recovery, renewed war and economic growth were characterized by tremendous increase in the nation's resources, consequent upon profound changes in its economic life. The England of 1750 must have succumbed at an early stage to the life-sapping strain of the contest. That the staggering burden could be borne at all by England of the next half century, and that eventual success attended what had resolved itself into a sheer contest of endurance was the result of a great industrial expansion, entailing a radical change in agricultural life, and involving heavy burdens of taxation and indebtedness made possible by the new efficiency of private finance.

In 1775 England—barring extreme seasonal fluctuations—was still a grain exporting country. In the decade from 1780 to 1791 the annual surplus was much reduced, and in the next period of ten years, with rapid increase of population, wheat exports ceased. During the whole struggle with Napoleon and for five years thereafter, the average annual imports of wheat alone was well over a half million quarters. From 1820 to 1825 extraordinary crops rendered recourse to foreign markets unnecessary; but thereafter importations were resumed in heavier scale, and the average for the decade materially exceeds the figure for the preceding years. From 1775 to 1825, despite extension of cultivation and improvement in methods England was thus engaged in what seemed to be an unsuccessful attempt to feed herself. Instead of producing an actual food surplus, a considerable amount

of the industrial product of the nation was annually surrendered in exchange for the imported food deficit.

The result was an intense struggle on the part of the English agriculturist and his sympathizers to preserve the home market by maintaining the domestic price of grain at what was vaguely called "a remunerative price." It was this struggle aggravated by mistaken protectionist legislation, tending at times to a domestic glut and made vehemently articulate by the social and political prominence of the land-moving class, with a consequent intense sensitiveness of Parliament and public opinion to agricultural complaints—that constitutes the agricultural ferment which pervades the economic life of the half century.

This seeming food deficit resulted from no absolute dearth or physical exhaustion of English soil. England was well able if necessary to feed herself. Foreign grain was imported, in accordance with a principle first elucidated by Ricardo and since generally accepted as a theory of international value, in consequence of the superior productivity of English industry incident to the wonderful succession of technical improvements that changed the nature and form of that industry in the closing quarter of the eighteenth century. It was because of this great industrial expansion, of which machinery, the factor system and capitalistic regime were essentials, that England, making more finished goods and making them more cheaply, found it advantageous to send these in exchange to countries of richer soil, rather than to raise her own food supply.

The successive phases of this industrial development are set forth, in external form at least, in every manual of English social history. A remarkable series of technical inventions and natural discoveries in relation to labor processes were more and more changing the whole form and complexion of industrial effort in England. A given labor force working with the new appliances and under the new conditions was able to bring forth an in-



credibly greater per capita product. Moreover the volume of the labor force itself was increasing—and increasing not only absolutely but relatively. A population growing at an accelerated rate was available, and of this population a larger and larger proportion were drawn into the factories.

Passing the tremendous changes in the social life of the people, and particularly of the wage-earning classes, which this decline of the old domestic system and the rapid growth of industrial at the expense of agricultural life meant, the conspicuous fact is that in this sustained industrial expansion of a half century, lies the explanation of that amazing growth of the nation's resources which eventually determined the political destinies of Europe.

It is a commonplace to speak of Waterloo having been won in the chimneyed factories of England. What is perhaps less well understood, and for the intellectual history of the period even more important, is the widespread social consciousness of this very fact, that England's resisting power depended upon the flourishing condition of her manufactures and upon the maintenance, undiminished, of industrial profits. This sentiment was not voiced as loudly as the agricultural plaint, for the new industry had neither political influence nor social prominence. But it pervaded business and financial circles and became the veritable *milieu* of economic thought.

Just as industrial activity was the occasion of agricultural ferment it was the possibility of financial expansion. The huge additions to the national wealth incident to the new industry were transmuted into the fleets and armies that made possible the long struggle with Napoleon. The crucible was an unparalleled resort to taxation and funding, aided by the new efficiency of English private finance. In the matter of taxation, it was the avowed policy of Pitt and his successors to pay the nation's current expenses in so far as possible out of the year's receipts.

In this they never succeeded, but in the endeavor they were forced to make great additions to existing taxation. Over and above its own concern, taxation thus became in these new and sometimes crude forms the scape-goat for much of the social distress incident to the depreciation of the currency, agricultural depression and industrial reaction.

The chronic deficiency in revenue was met by extraordinary drafts upon public credit. From the commencement of the war in 1793, government loans were contracted every year, and exchequer and navy bills were funded at frequent intervals. The funded debt of Britain which before 1793 stood at £238,231,248 reached a total of £567,008,978 in 1802, of £734,737,786 in 1810, and of £1,003,768,694 in 1816; of this increase of £765,537,445, £658,506,728 was by new loans and £107,030,717 by funding bills. In addition two loans were raised in England for the Emperor of Germany and guaranteed by the British Government, and a further loan was raised and guaranteed for the service of Portugal.

In the early years of the funding system the method of open public subscription at fixed terms had been employed, the lists being exposed originally at the Exchequer and after 1814 at the Bank of England. But with the rapid succession of large loans and the wide fluctuations in public credit, the Chancellor of the Exchequer was obliged to abandon public subscription for a more certain procedure—the prototype of modern syndicate participation described in 1817 as already in vogue for a considerable number of years.

Out of this swelling stream of industrial profits seeking funded investment on the one hand, and the insatiable demands of necessitous finance ministers on the other, was evolved that organization of private credit with which the beginnings of England as the capital center of the world are directly associated. The transition is neatly enough marked by the circumstance that

in the Peninsular War the British commissary general made desperate and unavailing efforts to supply the troops in the field by actual remittance of specie; whereas in the Waterloo campaign through the co-operation of English banking interests possessing extensive international exchanges the troops were paid and the foreign subventions met with the utmost facility and promptness without the remittance of a gold-piece.

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## THE "ONE MAN OFFICE" AND THE TYPOGRAPHICAL UNION

BY GEORGE E. BARNETT

In a considerable number of the printing offices in every town or city the proprietor ordinarily does the work with the help of one or more apprentices, employing a journeyman to assist him when the work is plentiful. Such offices are commonly known in the printing trade as "one man offices." Their custom comes, for the most part, from the neighborhood: they print cards and circulars for the small merchants in their vicinity and execute somewhat larger jobs for the fraternal associations with which the proprietor may be fortunate enough to form a connection.

It might have been expected that the printers' unions would have exerted their strength to diminish the number of such offices. The unions are organized in order to secure better conditions for workmen who are employees, and their rules are directed to this end. If a large part of the workmen in the trade are also proprietors, the union may be greatly hampered in maintaining a high rate of pay, and in shortening working hours. The remuneration for the labor of the proprietor of the one man office is included in the price he receives for the finished product, and when, in order to secure employment, he

reduces the price for his product below the customary price, he is in effect working below the rate of wages prescribed by the union. If he were an employee working in a union office, the union would not permit him to work at less than the standard rate. But it cannot formulate a list of prices for the product of the office, and cannot regulate the wages received by a proprietor.

Until recently, however, the printers' unions did not antagonize the small offices. This attitude has been due to several considerations. In the first place, until the introduction of the label the union could not injure the business of such offices except in so far as the proprietors needed to resort to the supply of labor which the union controlled. If a master printer did his work without the aid of a journeyman printer, he was independent of the union. Secondly, the unions have ordinarily assumed that the small offices do a class of work which the larger establishments do not desire. This assumption, however, is only partially correct, and, especially in recent years, the larger offices have frequently complained in conferences with the representatives of the unions that the competition of the small offices reduces materially the prices for certain classes of work. They have urged that on account of such competition they are unable to raise wages or to reduce hours. Thirdly, the unions feel that a journeyman printer who desires to start in business as a proprietor should not be discriminated against merely because he is beginning business in a humble way. Finally, in every strike in the larger offices some work which ordinarily goes to these offices is transferred to the small ones and the working force in the smaller offices is increased by the employment of some of the strikers. To the extent that this is possible, the one man shop is a useful auxiliary in any struggle with the larger offices.

Some of the local printers' unions have always refused to admit proprietors to membership although they worked



at the trade; it was even held in 1876 by the president of the International Union that a printer could not be at the same time a proprietor and a member of the union, "since the two positions were incompatible." But the greater number of the local unions have admitted to membership those proprietors who were printers, and all of the unions have allowed their members to work as employers in small offices.

The opposition to the one man shop which has developed in recent years has been due chiefly to the breaking up of the printers' trade into specialized branches. Until about 1850 practically all compositors could and did, on occasion, operate presses. The introduction of the steam-driven press developed a class of workmen who knew nothing of the trade of the compositor. As the pressman's trade became more and more distinct, the pressmen began to look with disfavor upon the practise of allowing a compositor to do pressman's work. In 1884 the St. Paul and Minneapolis Pressmen's Union complained to the International Union, which at that time included local unions of compositors and of pressmen, that although the pressmen devoted themselves entirely to a single branch of the trade, certain compositors did press work as well as composition. The International accordingly adopted the following rule: "In cities where there are both pressmen's and typographical unions it shall be a violation of law for a member to occupy the position of compositor and pressman." This rule was defective in that it contained no definition of the "position of pressman." Even if it was admitted that the tending of large power presses was the work of the pressman, it did not follow that the management of a small platen (flat bed) press was not a part of the work of the printer. Moreover, although the Printers would have refused to allow a compositor to tend a press of any kind in a large office, they were not willing to make it a condition that members who were running one man offices should not look

after the small press or presses in his office. Nor does it appear that at that time the pressmen were prepared to make such a contention, although the feeling that all forms of press work belonged to pressmen was growing rapidly.

The question of the one man office did not assume importance, however, until the use of the label on printed matter had become extensive. At first the label was issued either by a pressmen's or a printers' union, and a shop might obtain the use of the label if the proprietor employed union compositors, even if the pressmen were non-unionists, or *vice versa*. Under these conditions the Pressmen could not prevent the use of the label by one man offices. In 1893 the International Typographical Union provided that in those cities where unions were chartered in more than one branch of the printing trade labels should be distributed by an Allied Printing Trades Council composed of representatives of all the unions. The Pressmen were thus given a voice in deciding whether an establishment should be permitted to use the label and since that time the conditions on which a one man office shall be given the use of the union label have been constantly debated.

In some cities the Printers were out-voted in the Councils by the other unions with the result that rules were enacted requiring small offices to employ pressmen if they desired to use the label. For example, the Cleveland Allied Printing Trades Council, in 1898, provided that a pressman must be employed in offices which had one cylinder press and two "jobbers," (i. e. platen presses) or four "jobbers." This regulation made it necessary for all offices, except the very smallest, to employ a pressman.

The Printers were opposed to such rule. Under date of October 15, 1897, an editorial in the Typographical Journal denounced the attempts to withhold the label from small proprietors as "mischievous," and said, "To insist that a man must be in a position to employ pressmen and

stereotypers, in addition to compositors, is legislating in the interest of the house of Well-to-do and against the firm of Struggle-Hard." The attitude of the Printers is not difficult to understand. Their trade was the original one from which the trade of the pressman had been gradually differentiated, and they were reluctant to admit that the printer's trade did not include at least the simplest work of the pressman. In the small offices the composition of the matter was the only work which required skill, and a printer might easily learn to serve as his own pressman. The Printers, therefore, while admitting that a compositor should not serve as a pressman in offices large enough to afford employment to a workman simply to look after the presses, were unwilling to admit that in the smallest offices the same workman might not be both compositor and pressman.

On the other hand, the Pressmen were as unwilling to allow printers to do press work as to allow any other persons to encroach upon their trade. In 1899 the president of the Pressmen, in a conference with the officers of the Typographical Union, said "We do not permit men to set type and call their product work that should bear the label. We consider that when a compositor runs the press, such work is not the product of union labor any more than if a bricklayer on a building did the carpentering work also." A year later, before the convention of the Typographical Union, he defined a one man office as "a place where one man sets the job, makes it ready, runs it off on the press, does the binding, collects the bills, performs the work of the solicitor, and cuts the prices."

A compromise was effected and it was agreed in March, 1901, that in cities of over 500,000 population, the Allied Trades Councils should be allowed to settle the matter, but that in cities of under 500,000 population, offices with not more than two platen presses were to be allowed the use of the label, provided the employer obeyed the rules of his particular union. Under this rule, pressmen pro-

prietors of small offices were allowed to do composition as well as press work, but this was a merely nominal concession, for very few pressmen were able to run an office without the aid of a compositor. The controversy over the one man office, combined with other causes of disagreement, led in 1901 to the breaking off of relations among the unions in the printing trade, and from 1901 to 1904 the Allied Printing Trades Councils were dissolved in most places, the label being issued chiefly through the local unions of Printers, practically on such terms as those unions deemed advisable.

In 1904 when a new agreement was entered into by the unions in the printing trade the rule concerning the issue of the label to the one man office was practically the same as that which had been adopted in 1901. In cities of more than 500,000 inhabitants, the Allied Councils were to settle the terms on which the labels should be given. In cities of less than 500,000 inhabitants it was agreed that a proprietor "who runs an office of not more than two platen presses and in the operation of such an office complies with the laws of his union shall be permitted to use the label, provided the entire work of the office be done by the proprietor thereof, and that when employment is given to any additional help members of affiliated unions must be employed." It was understood by the Printers at the time of the adoption of this rule that the proprietor of a one man office might comply with it by employing union press-feeders (unskilled employees) to operate his presses. In 1908, however, the Pressmen contested this interpretation of the section and requested that the rules should be modified in such a way as to give local unions of Pressmen the power to decide when a pressman should be employed. The Joint International Board in 1909 struck out the entire provision regulating the one-man shop, and Allied Trades Councils were given power to regulate the matter.



It is probable that in most large cities the proprietors of small offices will be required to hire a pressman if they wish the use of the label. The cost of production in such offices will be enhanced and the proprietor will be actually at a disadvantage in competition with larger offices since the Pressmen usually allow one pressman to tend three platen presses. The use of the label is very important to many small offices, and undoubtedly many of them will hire a pressman rather than give up their label custom.

The existing agreement among the unions in the printing trade covers practically only the issue of the label, and the Printers may still countenance the small office to the extent of allowing their members to work in such offices whenever the proprietor needs help. They are not likely to take such a radical step as to refuse to allow a member to work in an office merely because the office cannot get the Allied Label. But the Printers are by no means so strongly in favor of the one man office as they formerly were. As the rules of the union have become more elaborate in recent years, the difficulty of enforcing them in small offices has become very great. This has been particularly true with reference to the regulation of working hours. Since the establishment in 1906 of the eight hour day by the Typographical Union, complaints have frequently been made that journeymen printers employed in the larger offices conduct small offices of their own and work there after they have finished a day's work in their employers' offices. The union is opposed to this practise and has definitely declared it a violation of the eight hour rule. But the task of supervising the small offices is almost impossible of accomplishment. Even where the proprietor works only in his own office, the union cannot make sure that he works only eight hours. In 1908, in his address to the International Union, President Lynch said: "Unless there is radical reform in the method of supervision of the small shop with the label under which

the proprietor will be compelled to confine his soliciting and mechanical execution together with all work necessary to the conduct of his business, to an eight-hour day, then there must be a reversal of our present attitude toward the small shop."

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## THE SIZE OF EUROPEAN FREIGHT CARS

BY LOGAN G. MCPHERSON

An American who travels upon the railways of Europe need not be very observant to perceive that the locomotives and cars are far smaller than those which he has been accustomed to seeing in the United States. In England the freight cars are called "trucks," many of them holding four and the majority, eight tons. On the continent they are termed "wagons." These were once no larger than the trucks of England but cars of ten, fifteen and twenty tons capacity are now in general use. The average capacity of the German freight car is a trifle over fifteen tons. The capacity of the American freight cars gradually increased from ten and fifteen tons in the early part of the nineteenth century to twenty-five and thirty tons about 1890, when were introduced the large cars of the present type carrying forty and fifty tons each.

This difference between the freight cars of Europe and of the United States is no idle variation, no freak of economic development. In each case it is an indication of the traffic status, of the stage of industrial and commercial progress. As population has rapidly increased throughout the United States production has tended to become localized at places of respective economic advantage, and the entire freedom of commercial exchange between all the different parts of the country have led

to the conveyance of food stuffs from where soil and climate favor their growth to markets near and far, to the transportation of raw material from places of production over hundreds and even thousands of miles to places of manufacture, and of finished products likewise over hundreds and thousands of miles from the places of manufacture to commercial centers whence they are distributed over shorter distances to the retail dealers. The essential traffic of the United States is therefore of great quantities over long distances. The greater the quantity that can be carried in a car, and the greater the quantity that can be moved in a train the more economical is the transportation. The greater the quantity of raw material that can be received by a mill or factory and the greater the quantity of finished product that can be turned out in a given time, the more economical are the processes of manufacture. It does not cost as much with modern machinery to unload fifty tons from one car as twenty-five tons each from two cars and the expense of loading for distribution is also lower per unit for large quantities. This localization of production at places of economic advantage whence distribution is made over great distances through wide markets to a multitude of consumers has brought about production on a large scale. The appliances of the factories for receiving and delivering shipments in large carloads have been increased and extended as the appliances of the railroads for moving shipments in large carloads have been increased and extended. The development of manufacturing facilities and of transportation facilities has progressed hand in hand. The men of ability to conduct transportation and manufacture on a large scale have been but little impeded in the display of their enterprise and energy.

On the contrary the industrial and commercial framework of the countries of Europe was fairly well established before railroads were introduced. From early

mediæval times was inherited the self-sufficiency of the community. The settlements that arose in the shadow of fortress or monastery obtained their food from the dependents in the neighborhood; clothing, food, and utensils were made by local artisans. The feudal barons were at war, and as small states were formed there was enmity between one of these petty political entities and another that militated against the interchange of traffic. Even with the formation of larger states this enmity continued; heavy tolls were levied upon merchandise carried from one to another. Traffic that moved over considerable distances was mainly of luxuries in small volume for the use of the rich and the powerful. Between the great nations of modern Europe this rivalry still exists. The self sufficiency of the community continued even in the case of the larger capitals until the nineteenth century was well advanced and in the smaller towns of the interior it endures today to a degree surprising to a citizen of the United States, in which this local self-sufficiency no longer exists even in the smallest settlement remote from the centers of commerce.

It is easily understood, therefore, why the small freight cars or "wagons" still suffice for the traffic of the railroads of the continent of Europe. Raw material and manufactured product do not move in such vast volume as in the United States nor over such long distances. There is but little of that consignment from mill and factory to commercial center whence distribution is made throughout a tributary area.

It is significant, however, that in progressive Germany the great manufacturers are chafing under restrictions to which the limited facilities of the railroads subject them. They want larger cars and heavier locomotives to handle their increasing and extending business, but the German Government, which owns the railroads, states that the introduction of larger equipment would compel



the rebuilding of track and structures of the railroads, and moreover the greater number of the manufacturing establishments in the country would also be obliged in great measure to rebuild their plants, as their present appliances are adjusted to the reception and delivery of the small cars, and that therefore the provision of large modern cars such as are used in the United States would be a discrimination in favor of the large and against the small shippers. The time is inevitably approaching, however, when the government will be obliged to adjust its facilities to meet the demands of a larger and intensifying traffic. It is significant that one or two of the great manufacturing establishments having their own interior railroads for their exclusive use have equipped these railroads with powerful locomotives and forty and fifty ton cars.

In France, Belgium and Italy the need for larger cars is not so pronounced, but even in France between the northern coal fields and ore beds of Belgium and Germany forty ton cars are now used.

Up to thirty years ago traffic by rail between one and another of the countries of Europe was in inconsiderable volume. Each country had its own rules and regulations, its own forms of bill of lading and its own laws. All that a shipper in many cases could do was to consign merchandise to a national boundary where it was unloaded and then loaded into a car of the adjoining country to be forwarded under unfamiliar restrictions. The different nations began at Berne in 1878 a series of conferences toward the amelioration of these conditions. These conferences resulted in the Berne Convention which has mitigated many of the obstacles in the way of international rail traffic which is developing, and sooner or later will doubtless attain a growth that will compel the lines engaging in such traffic to increase their facilities.

In England, where industry and commerce long ago attained a high development, the use of the small trucks

has continued for a different reason. This country receives a large portion of its food stuffs and of the raw material of manufacture from other lands. It has become the custom for imported cargoes to be stored on the docks and in the warehouses at the ports whence distribution is made in small quantities as they are desired. The ports are so numerous that shipments from the factories go in comparatively small volume to one or the other for export toward the different points of the compass. As no place in England is more than ninety miles from the sea this is an economic development which may be sound but it places a great burden upon the railroads. The commercial distribution in England has followed similar lines. No merchant nowadays keeps a large stock of wares, it being possible to replenish his stock by telegraphing or telephoning to dock or factory whence is made immediate shipment, reaching him usually within twenty-four hours. This has forced the English railroads to great speed in delivery, to the rapid movement oftentimes of but three or four hundredweight to a particular destination in a truck having a capacity of four tons or more. The railroad managers have striven vigorously to increase the carload and the trainload tonnage but without a great deal of success as the growing custom of retail shipment militates against their efforts.

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## THE "CHECK-OFF SYSTEM": A METHOD OF CLOSED SHOP ENFORCEMENT

BY FRANK T. STOCKTON

Two general systems for the enforcement of the closed shop have been adopted by American trade unions. These are known respectively as the "card system" and the "check-off system."

Of the two, the card system is by far the more generally used. Moreover, it has had a much longer history, certain phases of it being found in early trade societies at the beginning of the nineteenth century. It is also, in a way, a rather complex arrangement, involving the issue of working cards or permits, their inspection by certain designated officials of the shop or local union, together with appeals to foreman or employer to discharge such persons as refuse to comply with the union membership requirements and shop rules.

The check-off system, on the other hand, is confined practically to two industries, bituminous coal mining and window glass manufacture. Furthermore, it has come into use within comparatively recent years. It also differs from the card system in that, from the union standpoint, its operation is exceedingly simple, requiring but slight supervision on the part of the organization employing it. The whole system centers about the provision that the employer shall deduct union dues, fines and assessments from the wages of the men in the shop, factory or mine, and turn the sums collected over to the union having jurisdiction.

In the bituminous coal fields of Ohio, Indiana, Illinois, Iowa, Texas, Montana, Wyoming and Arkansas, the United Mine Workers have for the most part succeeded in securing the incorporation of a check-off provision in their agreements with the mine operators. The latter agree that upon receipt of "proper individual or collective order" they will deduct at their offices, the dues, fines and assessments which the local unions authorize.

In some agreements, such as that made by District 11 for 1906-1908, it is provided that the operators are to deduct the dues, assessments and fines only of such miners or mine laborers as "give their consent in writing" or furnish "properly signed authority." This arrangement is favored by the operators inasmuch as they are thus protected from suits at law by those miners who may ob-

ject to the withholding of part of their wages. As far as possible, however, the Mine Workers attempt to secure agreements which specify that the check-off system shall apply to all persons over whom the union claims jurisdiction, whether they furnish an individual order or not. In case of the adoption of such an agreement, the union guarantees to protect the operators from any legal proceedings that may arise from the enforcement of the check-off.

In some agreements of this character in the mining industry, certain restrictions are placed upon the collection of fines imposed by a local union. Thus the Illinois state agreement for 1908-1910 specifies that "in case a fine is imposed, the propriety of which is questioned, the amount of such fine shall be withheld by the operator until the question has been taken up for adjustment and a decision has been reached." Other agreements provide that no fine shall be checked off unless it has been ordered by a two-thirds vote of the local union. Regulations of this sort are, of course, intended to protect the individual workman from the exercise of arbitrary power on the part of his associates. The agreement of District 5 for 1906-1908 exempts the operators from making deductions for initiation fees "unless agreed upon locally between the operators and the miners."

A maximum amount of "check-off" is provided for in some instances, subject to change by special local arrangements. The agreements usually provide that before the operator pays to the union the amount which it claims, he shall have the right to deduct from the wages of the several employees, such sums as are due him for smithing, rent, powder, tools, etc. He is also authorized to deduct what assessments there may be for accident and death benefits, together with the proportionate share due from each man for paying the check-weighman, whom the union provides to see that the coal is properly weighed and accredited.



After the operator has made all the deductions which he has been allowed to make by the agreement, he is then required to send to the union a statement "showing separately the amount of dues, assessments and fines collected" together with a list of those employees whose dues, etc., remain uncollected. The operator is also required to furnish the union the means of ascertaining that the representations which he has made are correct. In this way, the union is able to discover whether the operator is collecting the proper amount from each miner and otherwise living up to the agreement.

The early "rules for working" of the Window Glass Workers, Local Assembly 300, Knights of Labor, provided merely that the manufacturers should deduct money from members when requested to do so by the chief preceptor, i. e., the union representative in the factory. Certainly as early as 1899, however, provision was made that the manufacturers were to deduct from the earnings "of all members" a certain per cent. of the amount earned to be paid to the unions as dues. As in the case of the Mine Workers, the local assembly was to be furnished with a statement of the names of those from whom such collections had been made. But while the arrangement, literally interpreted, applied only to those workmen who were members of the union, in reality it took in all the workers in an organized establishment inasmuch as no one was allowed to obtain employment therein unless he could exhibit a "clearance card" issued by the preceptor of the factory where he had last worked. To get such a card, a workman had to be a member in good standing.

The rules for 1899 provided that no debt which a member might owe the manufacturer was to be allowed to prevent the deduction of dues. In the rules for later years, however, the union expressly allowed the em-

ployer to deduct for "money advanced or otherwise" before deducting dues. In the rules for 1905 no mention is made of the matter.

A further important part of the system was the provision that in case any employer overpaid a glass worker or failed to deduct and forward the proper amount due the assembly he, in person, was to be "held liable for payment of the same." Upon his direct refusal to comply with this requirement, the scale was to be considered as having been broken, and members of the assembly were allowed to cease work without having given the manufacturer the usual seven days' notice. The "rules for the blast" ending June 30, 1901, required each member of Local Assembly 300 before going to work "to sign and place on file with each manufacturer" an agreement authorizing the latter to deduct union dues, etc., from his wages. Finally, the rules for 1905-1906 provided that all glass-workers accepting employment under the union scale, were to make such authorization, and were to waive all legal rights to recover the money thus taken from their earnings. At each factory the manager or his representative was required to acquaint all workmen with the above conditions before they entered his employment. If they refused to give their assent to such methods of collecting union assessments and yet were allowed to work in the establishment, the firm or company was to be held responsible for their dues, etc. The rules requiring the deductions have been continued to the present, though largely ineffective since 1905 on account of the shattered condition of Local Assembly 300.

Similar methods for the operation of the check-off system have been adopted by other unions in the window glass industry, notably the Amalgamated Window Glass Workers of America and the Window Glass Cutters and Flatteners Association. Except in minor details, their rules resemble those described above. It is well, perhaps, to state that neither of these organizations, nor Local As-

sembly 300, have ever used the term "check-off" in connection with their practices in this regard. That term has been employed only by the United Mine Workers; but in practice, the devices employed have been similar.

In a few other unions a check-off system has been adopted locally, where conditions make it desirable and it can be enforced. In Baltimore, for instance, in certain shops, under the control of the United Garment Workers, where women constitute a large part of the workers, the union finds it difficult to hold these women in the organization. Consequently, one or two employers who desire to have a union shop in order to secure the use of the label, are willing to assist the union by deducting dues and assessments at their offices before the employees are paid off.

The part which a check-off system of the character described above, plays in the enforcement of a closed shop is clearly very important. Union membership in good standing which is required under a strict interpretation of the closed shop rule, means that those eligible for membership shall be clear of outstanding dues, fines, fees and assessments. Under the card system the union must bring pressure on each individual workman to compel him to pay these charges. Under the operation of the check-off system, when a "collective continuous order" is given the employer by the union, each man's dues, are deducted regularly from his wages at the employer's office. Consequently he always remains in good standing. Where this is the case with every man in the establishment, it means a strict closed shop, maintained by an almost automatic mechanism. All that is left for the union to do is to see that the employer collects and remits the proper amounts.

The comparatively limited use of the check-off system is undoubtedly due to two causes, namely, the desire of unions to be self-reliant, and, secondly, the natural disinclination of the employers, under ordinary circum-

stances, to actively assist in any scheme which will compel their employees to become members of a labor organization. Where it has been adopted, however, it seems to have worked successfully and with probably less friction than in cases where the card system has been employed.

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## CONVICT LABOR IN THE MARYLAND PENITENTIARY

BY A. O. MULLEN

It has always been the policy of the State of Maryland to require hard labor as a part of the penalty which must be paid by persons incarcerated in the State's prisons by mandate of the State's Courts. Different forms and methods have been used with varying results, but there has always been a consensus of opinions to the effect that the labor of the convicts ought to support themselves and the institution under whose charge they are.

Before the Penitentiary was erected, the convicts on the Western Shore of Maryland, particularly in Baltimore City—Baltimore Town as it was then called—and in Baltimore County, were employed upon the streets, the "basin" and the public roads. For the purpose of removing convicts from such public work, the legislature passed a resolution in 1804 by which certain citizens, named in the resolution, were commissioned with the authority and responsibility of building a "penitentiary house." The prisoners at first confined in it were those who were convicted in the Baltimore City and Baltimore County Courts. It was also provided before the Penitentiary was completed and declared open for the reception of convicts,—which completion and opening took place in the Autumn of 1811,—that any person who had been con-



victed of a crime prior to the opening of the "penitentiary house," and sentenced to work on the streets, basin or public roads, and whose term had not yet expired at the said opening of the "penitentiary house" for the reception of convicts, the same might, if he wished, make application to the Criminal Court of Baltimore and have his sentence changed so that he could serve the remainder of it in the "penitentiary house."

Until after the Civil War the work done in the Maryland Penitentiary, except in a few cases, was conducted on what is known as the "State account" plan. That is, the officials, acting for the State, supplied the necessary machinery and raw materials, had the convicts work them up into manufactured products, and then sold these as any other manufacturer would do. In the early period of the prison's history, the weaving of woolen and cotton goods was the principal industry. The materials were purchased in the shape of wool and raw cotton, and dyed, carded, spun, and woven in the prison. The goods thus manufactured were distributed mainly through the local markets, and what could not be thus disposed of were sold through commission houses in New Orleans, New York, Philadelphia, and Cincinnati. From the beginning until 1831 this industry proved profitable, and large surplus earnings were reported, particularly after 1816; large expenditures were also made from income for dyeing-vats, machinery, etc. However, the earnings appear larger than they really were, since from 1816 to 1831 the legislature appropriated \$108,000.00 to pay the salaries of the penitentiary officials. If this sum is deducted from the earnings of the period, the surplus for those fifteen years is almost completely wiped out. The officials in charge at the time, however, seemed to be highly pleased with the success of their operations.

From 1831 until 1871, that is for a period of forty years, the industrial operations of the prison were conducted at a heavy loss. Financial depression and indus-

trial stagnation at times cut off the sale of the commodities produced in the institution, and the introduction of power looms made weaving on hand looms so unprofitable that it was impossible to make sufficient returns to justify a continuance of the manufactures. A difference of one cent per yard in the goods made, affected the profits or losses of the prison about five thousand dollars. Other industries were conducted in the prison such as cordwaining, comb-making, and smithing; but as they required more highly skilled labor than could ordinarily be attained by the convicts, these industries could only be developed to a minor degree as compared with weaving.

In 1832 a contractor proposed to the penitentiary officials to contract for the labor of a number of prisoners to be used in the hammering of granite. The proposition was looked upon rather favorably. First, it would produce a certain and fixed revenue. Second, the capital of the institution would not become tied up in surplus product which must be carried as stock on hand until a market could be found. Third, the risk of the rise and fall of the markets would be eliminated, a condition that must always be present when goods are made on the "state account" plan. As a law had been passed in 1828 by the Legislature requiring the Board of Directors to pay the expenses of the institution out of its net profits, and it was necessary to find some way by which the net profits could be made large enough to meet the requirements of the act, the officials acceded to the proposition and entered into a contract to supply at least forty convicts at fifty cents a day each to be employed in hammering granite. The contractors had hardly begun operations when the granite workers on the outside began to oppose the system, and three years afterwards, the contract was withdrawn. The information at hand renders it impossible to say whether the discontinuance of the contract was due to this agitation or to other causes; but as there was an investigation about this time by the Legis-

lature into the subject of convict labor it is fair to assume that labor opposition had more or less to do with it.

As a result of the agitation the State Legislature passed a bill compelling the prison authorities to sell their products at wholesale and in no case to sell a lot of less than \$50,000 worth to one customer. This requirement worked a serious loss to the institution and the Board of Directors were compelled to ask the Legislature for an appropriation of \$30,000.00 the year after the act was passed. The requirement of the act forced the discontinuance of a considerable portion of the carding and spinning, entirely eliminated the weaving of carpets for families, and stopped the making of shoes for farmers and planters, and the sawing of stone for stone cutters.

When the weaving of common plaids and other cotton goods became so unprofitable as to threaten the discontinuation of production altogether, the officials introduced the weaving of silks and fancy vestings. This industry was not, however, maintained long, and one thing after another was tried with varying degrees of success. Even cordwaining was finally abandoned, because, as was maintained by the authorities, it was impossible to manufacture boots and shoes in competition with those manufactured by the Eastern establishments.

The Board of Directors became convinced in 1855 that the contract plan was safest from a financial standpoint, and they once more tried the experiment of contracting with manufacturers to furnish specified numbers of convicts for the manufacture of certain goods. From that time the contract system grew in favor until 1864 when it supplanted the former method entirely. Contract convict labor has been defended by almost all prison officials and contractors who are engaged in it, at times ardently supported and at others violently attacked by social reformers, and almost always opposed by the labor interests. The only legislation adverse to the employment of convicts in Maryland since the Civil War was a bill

passed in 1870 by the General Assembly which forbade the manufacture of tin cans in the prison.

The following table is the best exhibition of the financial results in the Maryland Penitentiary that is at hand. Prior to 1888 the figures need some correction if used for comparative purposes. As has already been said, from 1816 to 1828, \$108,000.00 was appropriated by the Legislature to pay the salaries of the officers. From 1828 to 1887 varying amounts were appropriated from time to time to assist in paying the officers' salaries, finally in 1872 becoming an annual appropriation of \$8000.00. In 1888 an appropriation of \$6000.00 was made to provide for the deficit of that year, and in 1889 one of \$8000.00 for the same purpose. Since 1890 the figures in the table are the exact amounts paid over to the State Treasurer after every item of expense has been deducted. The figures therefore from 1888 to 1909 are a correct exhibit of the net profits and losses of the Maryland Penitentiary for those years.

Year	Earnings over Expenses	Expenses over Earnings	Year	Earnings over Expenses	Expenses over Earnings
1816....	\$ 5,956 10	.....	1839....	.....	3,722 36
1817....	.....	.....	1840....	.....	3,239 26
1818....	3,009 42	.....	1841....	.....	6,493 13
1819....	332 43	.....	1842....	.....	12,315 93
1820....	266 00	.....	1843....	483 66	.....
1821....	7,654 44	.....	1844....	9,536 84	.....
1822....	7,888 06	.....	1845....	.....	1,220 92
1823....	1,123 16	.....	1846....	.....	7,468 38
1824....	1,047 30	.....	1847....	.....	7,499 81
1825....	12,347 21	.....	1848....	.....	12,947 91
1826....	12,843 28	.....	1849....	.....	7,054 46
1827....	15,258 97	.....	1850....	.....	7,765 39
1828....	11,804 16	.....	1851....	.....	9,302 78
1829....	19,553 89	.....	1852....	.....	7,473 85
1830....	.....	.....	1853....	2,999 11	.....
1831....	2,338 06	.....	1854....	.....	8,516 05
1832....	.....	\$ 981 22	1855....	.....	6,149 86
1833....	881 04	.....	1856....	.....	5,218 30
1834....	.....	2,780 38	1857....	.....	26,189 92
1835....	.....	618 36	1858....	.....	13,449 17
1836....	10,622 21	.....	1859....	.....	11,362 91
1837....	.....	149 27	1860....	.....	8,613 52
1838....	.....	26,046 00	1861....	.....	8,907 87



Year	Earnings over Expenses	Expenses over Earnings	Year	Earnings over Expenses	Expenses over Earnings
1862....	.....	16,151 80	1886....	4,347 67	.....
1863....	.....	\$10,658 16	1887....	661 76	.....
1864....	.....	4,022 92	1888....	.....	5,963 13
1865....	.....	9,979 93	1889....	.....	8,719 59
1866....	.....	.....	1890....	1,991 64	.....
1867....	.....	20,627 69	1891....	3,022 35	.....
1868....	.....	16,346 77	1892....	3,696 87	.....
1869....	.....	25,762 67	1893....	6,753 21	.....
1870....	.....	23,877 32	1894....	11,345 24	.....
1871....	.....	20,887 02	1895....	15,216 04	.....
1872....	3,079 78	.....	1896....	17,724 45	.....
1873....	638 42	.....	1897....	27,871 84	.....
1874....	49 94	.....	1898....	29,180 71	.....
1875....	1,417 96	.....	1899....	35,195 34	.....
1876....	425 37	.....	1900....	33,902 06	.....
1877....	998 05	.....	1901....	29,199 00	.....
1878....	6,356 36	.....	1902....	19,537 05	.....
1879....	13,001 85	.....	1903....	23,078 67	.....
1880....	7,326 43	.....	1904....	27,570 69	.....
1881....	1,993 04	.....	1905....	36,492 07	.....
1882....	1,667 43	.....	1906....	44,001 14	.....
1883....	4,585 81	.....	1907....	40,049 61	.....
1884....	7,515 15	.....	1908....	37,156 84	.....
1885....	3,536 48	.....	1909....	44,124 36	.....

## THE BRICKLAYERS IN THE SHORTER-DAY MOVEMENT, 1865-75

BY E. T. CHEETHAM

The National Union of Bricklayers was organized in Philadelphia, October 16, 1865, by a meeting of delegates of the Philadelphia and Baltimore Associations of Bricklayers. At that time bricklayers were working ten hours a day, and the policy of the Union included, from the first, the shortening of the work-day. The plan comprehended, first, agitation for the enactment of state and national eight-hour laws, and, second, efforts by the bricklayers' unions to reduce the hours of bricklayers.

The movement was not confined to the Bricklayers. The National Machinists and Blacksmiths' Union had resolved, at the convention of 1866, to work only eight hours. The Molders had declared a like purpose the same year. The Ship-carpenters and Caulkers had also determined that after March 1, 1866, they would work only eight hours a day; and by 1868 the Plasterers of New York City and Brooklyn were working eight hours. The Bricklayers assisted other trades in their attempts to shorten working hours by moral and material aid, and by entering into confederations for combined effort.

At the Baltimore Convention of the Bricklayers in January, 1866, a committee was selected to draft resolutions on the eight-hour question. This committee recommended the shortening of hours from 10 to 8, stating that this question was paramount to all others. The reduction of hours was urged on the ground that it would greatly conduce to the intellectual, moral, and physical well being of the craft. The committee recommended also that the union should press upon the national, state and municipal authorities the justice of the claim, and urged that a demand be made on the various legislatures for the enactment of laws making eight hours a legal day's work. The faith of the committee in the efficiency of this means of attaining the shorter work-day was shared by the convention and, indeed, by the members of other crafts at this time. This agitation resulted in the passage of several state eight-hour laws in 1867 and a federal eight-hour law in 1868. These laws, however, were ambiguous and without proper provisions for enforcement. In 1869 the Bricklayers' convention adopted resolutions calling on Congress to pass a law explanatory of the provisions of the eight-hour law passed the previous year, as it was differently interpreted by the various departments of the federal government.

The president of the Bricklayers in his report to the convention of 1870 went into the eight-hour question at

length. He stated that the men engaged on government work were being deprived of the benefits of the eight-hour law, being obliged to work ten instead of eight hours, and had to resort to strikes to secure the enjoyment of its provisions. The secretary, in his report to the convention of 1871, stated his belief that some general plan should be adopted for the attainment of the eight-hour day, and that the campaign should begin with establishing the shorter work-day on public work—national, state and municipal.

The convention of 1872 adopted a motion to petition the New York Legislature to amend the eight-hour law of the state so as to make it enforceable. A committee visited Albany and presented a memorial to the Legislature. The Committee on Trades and Manufactures, to which the memorial was referred, reported adversely on the ground that the law already in force was "good enough." At the convention of 1874 resolutions were introduced by the Washington, D. C., Union and adopted by the convention demanding the removal of A. B. Mullett, United States Supervising Architect, because he had recommended in his report to Congress the repeal of the national eight-hour law. A Committee was appointed to visit the President of the United States and give him a copy of the resolutions. Copies were presented also to members of Congress and a number of Congressmen promised to use their influence against the repeal.

By this time the Bricklayers began to understand that if they were to get the shorter day it would not be through the enactment of laws. The result was an increasing number of attempts to secure from private employers the concession of the shorter work-day. The following table shows the strikes by bricklayers' unions for the shorter day during the decade of 1865-75:

Year.	Unions Involved.	Purpose of Strike.	Result.
1865	.....	.....	.....
1866	.....	.....	.....
1867	Washington, D. C.....	.....	.....
1868	New York Unions 2,4,12..	Eight hours.....	lost.
	St. Louis.....	Eight hours.....	.....
1869	Philadelphia .....	Shorter Saturday.....	.....
1870	Troy, N. Y.....	Shorter Saturday.....	won.
1871	.....	.....	.....
1872	No. 1, Canada.....	Shorter day.....	lost.
1873	New York City Unions..	Eight hours.....	won.
	Williamsburg, N. Y.....	Eight hours.....	won.
	Toronto, Canada.....	Nine hours...Compromised on Shorter Saturday.	
1874	Washington, D. C.....	Reduction of hours abandoned.	

Of the strikes of this decade, the New York strike of 1868 was the most important as it was the most expensive and the most disastrous. Local Union, No. 4, of New York, petitioned the convention of 1868 that it be given assistance in case of a strike and expressed the hope that the other unions of New York City and vicinity would co-operate. In the strike that followed, local unions No. 2 and 12 of New York City joined No. 4. The national secretary called for a levy of \$2.00 on each member of the organization, but many unions failed to respond. Circulars were issued and sent to the various unions asking bricklayers to stay away from New York City. Through lack of experience in conducting large strikes the Bricklayers were routed and all but went to pieces. Four years later, however, they renewed the struggle, taking care first to bring into the union as nearly as possible every bricklayer in New York City. On May 20, 1873, Unions Nos. 2, 4, 12 went on strike for eight hours. The strike lasted for only one day and the men won the shorter day on their own terms.

Throughout the period from 1867 to 1874, there was recurrent agitation for the passage of a rule by the National Union forbidding the local unions to work more than eight hours. The St. Louis Union introduced a petition at the convention of 1867 for a national rule on the subject, and the unions of New York City were especially



insistent for such a rule at the 1868 convention. The convention of 1868 decided "not to press the eight hour question at this time although the members personally favor it," but in 1869 the Convention adopted a resolution "legalizing eight hours as a day's work," and agreeing to support any union, in any state, that passed the eight hour rule, provided the union complied with the laws of the national body. In 1874, however, in consequence of the panic of the preceding year, building was at a standstill and the Bricklayers adopted a resolution that the eight hour question "be referred to the local unions without the influence of the national union." This became the settled policy of the Bricklayers for a number of years following.

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## RESTRICTION OF ADMISSION TO MEMBERSHIP IN THE GLASS BOTTLE BLOWERS' ASSOCIATION

BY F. E. WOLFE

Since its organization in 1888 the Glass Bottle Blowers' Association has practised a policy of severe limitation with reference to the admission of members. This policy is based on a desire to minimize competition by so limiting admission to membership as to secure as nearly as possible equilibrium between supply and demand of labor at the wage rates fixed by the Association. Denial of admission to membership has meant in recent years practically exclusion from the trade. In 1898 in New Jersey alone there were 1,400 non-union blowers employed in non-union shops, while in 1909 there were only about 600 non-union blowers in the United States. In other words about 95 per cent. of the trade is under the control of the organized workers. Hence the Association is in a position to dictate terms of admission.

Restrictions have been placed on the admission of the following classes of persons:—(1) apprentices; (2) foreigners; (3) stockholders; (4) expelled workmen. After dealing with these classes in order, the effect of the introduction of labor-saving machinery on the policy of admission will be considered.

The Association requires as a necessary qualification for admission, the serving of an apprenticeship for a period of not more than five years at glass-blowing in a union shop in the United States or in Canada. The time served is subject to local variation. The requirement that an apprenticeship be served in a union shop has been consistently enforced, and applicants with non-union apprentice records have invariably been excluded unless a more immediate interest of the Association would be subserved by their admission. Since 1893 the place of an apprentice, who leaves a firm for any cause, cannot be filled. In case an apprentice dies during his first year, if his place is filled at all, it must be done during that year.

In 1906-1907, to meet an extra demand for workers the Association was forced to borrow apprentices from the next season's quota. Otherwise the manufacturers would have been furnished with an unanswerable argument in favor of more apprentices. The number of borrowed apprentices decreased by that much the number which could be taken on the next season. By the summer of 1908 the demand for workmen had so fallen off that instead of a loan of apprentices from the next season, the Association felt justified in decreasing by half the existing ratio of apprentices. On two occasions, by agreement with the manufacturers the taking of new apprentices has been entirely prohibited for a year. This rule was first enforced during the blast of 1894-95, and again in 1909-10.

The Association has always seriously opposed the immigration of foreign glassworkers into this country. In 1892 there was adopted a rule, which continues in force, that any member who encourages or assists in any man-

ner either directly or indirectly any foreign glass blower to come to this country shall be fined \$100 and suspended from work for one year.

Exclusion of foreigners from membership has been accomplished by requiring extra high initiation fees from such workers; and since 1892, by leaving the admission of all foreigners to the discretion of the Executive Board, who may admit them when it is deemed necessary. This wide discretionary power has tended to keep out all foreigners. That foreigners have been excluded because they were foreigners is indicated by a provision adopted for the blast of 1907-08 to the effect that no foreign blower should be admitted unless it should be deemed absolutely necessary in order to keep "turn-mould places" filled. At that time some manufacturers were in need of turn-moulders, and these could only be supplied from foreign countries; such as were needed were admitted on the condition that they should remain in the turn-mould department three years. This last provision was adopted for the purpose of preventing an inflow of foreigners into the other branches of the trade. With the exceptions just noted, a foreigner has not been admitted for five years, and for the last three years a foreigner has not made application for admission.

From 1888 to 1895 members who held stock or were partners in any glass blowing concern and continued to work as blowers, were permitted to remain in the Association. It was found that members financially interested in glass firms usually became negligent of the interests of the Association. Accordingly from 1895 until 1900 stockholders were required in all cases to take out withdrawal cards. Workmen with withdrawal cards might either work at the trade or not, as they chose. To take the places vacated by the withdrawing stockholders who did not continue to work at the trade, the admission of additional blowers was required. Furthermore, since those workmen with withdrawal cards who

were not working at the trade still had the right to work and to be readmitted, it was feared that a surplus of members might result. To stop this potential influx of members, since 1900 all stockholders have been required to be members, and no withdrawal cards may be issued to anyone working at the trade.

All members charged with offenses are guaranteed the right to appear in person or by counsel to answer the charges, and in case of dissatisfaction with decisions have the privilege of an appeal finally to the annual convention. For the readmission of expelled workmen the consent of the expelling local is required, and if the expulsion is for offenses against the Association at large the workmen may only be readmitted at the discretion of the Executive Board.

The numerical strength of organized glass bottle blowers, when compared with that of the non-unionists is strikingly favorable to the former. In 1902 in Indiana alone there were 940 non-union blowers, in 1904, about 600. In 1907 the total number of non-union blowers in the whole United States was 1,370, in 1908, 910, in 1909, only 600. The representatives of the union in the 1909 conference with the manufacturers stated:—"As for non-unionism, that evil has steadily decreased and is a matter of secondary consideration when taken as a competitive force." The Association however continues its efforts to unionize the few remaining non-union shops. This is desired in order to deprive manufacturers of a plea for a lower scale of wages. Practically the only way by which non-unionists may become members of the Association is through the unionizing of a non-union shop.

In 1898-99 in order to enable certain manufacturers to compete with machines, and to prevent about 400 of its members from being thrown upon the relief fund of the union through displacement by non-unionists, a reduction of wages was agreed to. In 1903 the Owens Automatic machine was first made use of in the manufacture of beer



and mineral bottles. The Association had at that time nearly 1,600 members employed in this branch of the trade. To provide against their displacement and competition in the other branches of the trade, a reduction of hours and a division of work were recommended. In 1909 the three-shift system, as a means of meeting machine competition and of providing employment for the members, was endorsed; and its adoption, wherever possible, was recommended. The use of improved machinery has in this way forced the glass bottle blowers to the extremity of devising means to secure employment for a surplus of members. Under such conditions admission into membership has become practically impossible, except in cases of unionization of non-union shops, as noted above.

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## MACHINERY IN THE WINDOW GLASS TRADE

BY A. B. MORTON

The manufacture of window glass until recently was carried on entirely by the old method of blowing the glass into cylinders, flattening it in ovens, and finally cutting it into marketable sizes. These processes were performed by four sets of workmen known as the gatherers, the blowers, the flatteners, and the cutters. There were also subsidiary groups of workers such as the potmakers, teasers, snappers, and layer-outs, but they were not large enough to be important.

From 1880 workmen in the four chief window glass trades were organized as Local Assembly, No. 300 of the Knights of Labor. There were attempts at separation by one or more of these trades at different times but the solidarity of the Union was not seriously affected until recently. For many years L. A. 300 controlled almost

absolutely the supply of workmen. The rules regulating admission to the trade were of the most stringent character. Foreigners were practically excluded, and apprenticeship rules prevented any one but sons and brothers of members from learning the trade. The same spirit of restriction also pervaded the regulations concerning the length of the working day and season, the amount of output, and the number of helpers.

The great advantages which the window glass workers enjoyed in wages over the workmen in other glass trades may be seen from the following table taken from the report of the Commissioner of Labor in 1904:

Trades.	Hours of Labor per week.	Wages per hour.
Green Glass Blowers.....	51.00	\$ .6078
Flint Glass Blowers.....	50.12	.5768
Flint Glass Gaffers.....	49.41	.5790
Flint Glass Gatherers.....	49.48	.3201
Window Glass Blowers.....	36.78	1.1740
Window Glass Gatherers.....	36.67	.8529
Window Glass Flatteners.....	68.00	.5868
Window Glass Cutters.....	58.00	.4832

The introduction of machinery into the trade was retarded by certain peculiar conditions:

(1) The demand for window glass, which is dependent largely upon the amount of construction work going forward, varies widely from year to year. There was no great potential demand which might be evoked at lower prices. As a consequence, the manufacturers had come to dread above all things the accumulation of a surplus stock. The control of production in such a way as to prevent too great expansion in building new plants in prosperous years and thus causing ruinous competition in lean years was the chief concern of the manufacturers.

(2) Although the American producers had to compete against a low foreign labor cost, this disadvantage was

more than offset by the high protective rates which the government offered to the industry. Rates of more than 50% compensated the home producer. Even the introduction of machinery offered no reasonable prospect of securing a foreign market.

(3) The cost of experimentation with machinery was very great. In the few attempts which had been made in this direction, the machines were very intricate and costly and the possibility of dispensing with skilled workers seemed small.

(4) The union, which, as has been said, controlled the labor supply, was unwilling to work the experimental machines, except on the most burdensome terms.

On the other hand, from about 1895 certain influences made directly for the introduction of machinery:

(1) There was, first of all, a growing lack of cohesion among the manufacturers. Their attempts to form associations for the purpose of maintaining prices usually resulted in failure. The members of these associations offered secret discounts in violation of the rules.

(2) The employers and union found it increasingly difficult to agree on terms of employment. The factories in some years did not open at their usual time because the two parties could not agree upon a wage scale.

(3) No efficient discipline was exercised by the union over its members, who frequently refused to abide by the agreements made by their officers, and even made private agreements with employers. The dissensions among the workers led to the formation of rival unions. Many members withdrew from L. A. 300 to form the Window Glass Workers of America, later known as the Amalgamated Window Glass Workers, and as the National Association of Window Glass Workers. The cutters and flatteners seceded to form the Window Glass Cutters and Flatteners Association. The rival organizations were willing to sacrifice many of their regulations in order to gain the favor of the principal manufacturers.

(4) In the plate glass industry labor-saving devices had greatly reduced the cost of production, and plate glass was replacing ordinary window glass for many uses. The effect of this invasion was to turn the attention of window glass manufacturers to cheaper methods of production.

The earliest inventions to attract the attention of the union were certain labor-saving devices in the operation of flattening, and in 1892 the following rule in relation to these devices was adopted by L. A. 300: "Any manufacturer introducing into his flattening house new inventions, supposed improvements, shall, so long as said invention or improvement continues to be an experiment or until it shall have been demonstrated that it will not be a loss to the workingmen, pay a guarantee to all workmen whose work is or may be affected by said machine or invention. Said guarantee to be arranged between the Manager of said Works and the President and Wage Committee of L. A. No. 300. And the flattener on said oven must be provided with a Layer-out. This is to apply to all experimental machines that may be introduced. Where the Lubber improvement is introduced, the flattener shall be provided with a layer-out or shoveboy."

This rule was liberal enough, but the unwillingness of the members as individuals to make use of any but the old methods of workmanship made it impracticable for the employers to introduce the new devices. It was not until 1899, however, that L. A. 300, frightened by the extent of machine experimentation, developed fully its hostile position. A rule then adopted declared: "No manufacturer or company will be allowed to operate any invention or machine for the purpose of making window glass at any time where the scale of the L. A. No. 300 is in force. In case this is done the wage scale of L. A. No. 300, K. of L. shall be cancelled and members will immediately cease work."



Although the rival union, the Amalgamated Window Glass Workers' Association of America, was bitterly hostile to L. A. 300, it was as one with that organization in its opposition to the introduction of machinery. In 1904 it adopted the following rule: "No member of this Association will be allowed to assist or try to operate any Iron Man, machine or invention for the purpose of making window glass except it be under the direction of the Executive Board or with consent of same. For violation of above, a member or members shall be fined, suspended, or expelled from the Association, as the Executive Board may decide."

The actual introduction of a window glass machine did not take place until the appearance of the model of the American Window Glass Company. After much experimentation, the machine was brought into practical use in 1903. Its success was demonstrated by its speedy introduction into many of the factories of this large concern. The machine has displaced the skilled labor of the blower and gatherer, but cutters and flatteners were still required. The unions of cutters and flatteners allowed their members to work with the machines. The jealousy which the rival unions felt toward one another incited them to accept terms which would not have been possible under the former amalgamated organization.

The machine factories could turn out excellent glass at a very low cost of production, and the hand plants were unable to compete with them. Wage agreements were made by the unions of the following character: "It is understood and hereby agreed, that if any window glass blowing machine or machines, is operated to a sufficient extent to affect the market by reason of their cost of production being lower than this scale, at which time and under such conditions this scale shall be subject to revision upon the demand of the manufacturer so affected by such machine or machines. The same conditions to be determined by the Wage Committee." L. A. No. 300

adopted a sliding scale in 1905, which provided for the increase or decrease of wages so as to allow these hand producers to adjust themselves to the condition of the market. President Burns also removed the restriction on the output so that the members would be unhampered in showing their highest capacity against the machines. It is estimated by a competent authority that in 1909 there are 160 machines in operation, capable of producing about 3,000,000 boxes out of an annual consumption of 6,500,000 boxes.

With the growing importance of the American Window Glass Company through its use of machinery the industry has for five years suffered from cut-throat competition. About twenty per cent. of the hand plants in 1909 were in the hands of receivers. The unions are very weak, and have been forced to give up many of the favorable conditions which they formerly enjoyed. The piece-rates of blowers and gatherers have been reduced to about twenty-five per cent. of what they were in order to make it possible for the hand plants to continue their operations. The cutters and flatteners have suffered less but their wages have been reduced fifty per cent.

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## THE EARLY CIGAR MAKERS' UNION OF BALTIMORE, 1856-1863

By M. H. HOURWICH

The first cigarmakers' union in Baltimore was organized in 1851, but the earliest minutes of the proceedings that have been preserved date back only to 1856. The union at that time was known under the name, "Cigarmakers' Society of Maryland." The Baltimore union was probably the first cigarmakers' union in this country. Baltimore was at the time the leading centre in the

trade and the Baltimore union occupied a conspicuous position in the development of trade unionism among the cigarmakers in the United States. As local unions were organized in other cities, they requested the Baltimore union to send them its by-laws and constitution, and the Baltimore union maintained an irregular correspondence with the other unions.

Although the present national union was not organized until 1864, the necessity of a closer combination for the better protection of the trade was felt much earlier by the local unions in different cities. It has been supposed that the first national organization among the cigarmakers was formed in 1864. Certain passages in the minutes of the Baltimore Society make it probable that some form of inter-local organization existed some years earlier. A national convention was held in New York on July 2, 1856, and a delegate was sent from Baltimore. Another convention was called for July, 1857, and three delegates were to be sent from Baltimore, but the convention does not appear to have been held. In 1863 the Baltimore union had a conference with the Philadelphia Cigarmakers' Union on the subject of the relations of the two unions. A joint committee was formed, and it was agreed to admit members of one local union to membership in the other by card and on payment of half the regular initiation fee. A resolution was also adopted by this committee recommending all associations of cigarmakers in the United States to communicate with these two unions. Evidently the purpose in view was the formation of a national union, which would include all local unions and exercise control over them. This was effected in 1864.

At this period the influx of Germans was large, and many of them went into the cigarmaking trade. Germans constituted a large part of the membership of the Baltimore union. Since most of them were not familiar with the English language, the proceedings of the meet-

ings were usually recorded in both languages, and the meetings were advertised in English and German newspapers. The constant need of a German interpreter at the meetings entailed many inconveniences, and in 1856 it was decided to hold separate meetings for Germans and Americans, which it was believed would increase the interest of the members in the proceedings and their devotion to the common cause. In order to preserve the unity of the organization, an executive committee was formed, of which seven members were Americans and six, Germans.

One of the first important questions with which the union concerned itself was the regulation of the bill of prices. The piece rate was the only system in vogue at that time in the trade. A certain price was paid for each 1000 cigars of a certain kind. The union did not at first draw up a bill of prices, but contented itself with enforcing the fairly well established list already recognized. It did, at a very early time, however, resist an attempted encroachment on the standard rate. In 1856 the employers wished to resume the old plan of making the journeymen pay for their own stripping, and the union passed a resolution forbidding the members to work for any employer unless the stripping was paid for extra. The union also refused to allow its members to do the casing of the leaf, unless paid for extra. A regular bill of prices was established in 1858. In 1862 the union in order to provide a rate for certain sizes and shapes of cigars not included in the bill of prices provided that no cigars should be made for less than \$6.00 per 1000, and that the price of any extra work should be regulated by the workers.

A three years' apprenticeship was required for admission, and in case any one was admitted by mistake before he had served the regular term, he was expelled from membership and his dues were refunded. One of the by-laws also provided for a limitation on the number



of apprentices. The ratio was one apprentice to five journeymen, two to ten, and one to every additional ten. No member of the union was allowed to work with an apprentice unless the apprentice was getting the regular price.

The union from the first days of its existence attempted as far as it could to enforce the closed shop. In 1856 it was decided that no member of the union was to work with non-unionists. No member was allowed to work in a factory unless the foreman was a cigarmaker and a member of the union; if the foreman was not a member, he was required to join the union within one month. Employers were at first permitted but not required to join the Association; in case they belonged to the union, they were subject to the same rules as other members. In 1861 it was decided that no employer should be allowed to join the union, and in case any member became a "boss," he was to be expelled. From this date, the union became distinctively an employees' organization—a labor union—whose interests were opposed to those of employers.

The union was particularly opposed to allowing its members to work with those cigarmakers who had violated the provisions of the constitution regarding the bill of prices. Cigarmakers who worked under price were expelled from membership and were known as "rats." If a "rat" wanted to join the Association he had to pay a ten dollar fine and furnish the names of the shops where he had worked. Such shops were known as "foul," and lists of these shops were distributed so as to prevent members of the union from working there with "rats."

Strikes were of frequent occurrence. No member of the Association was allowed to work in a shop where the hands had quit on account of a reduction in prices or any other cause. The strikes were all shop strikes. Members employed in a shop could strike without first

submitting the dispute to the union. Strikes had to be reported, however, to the executive committee within twenty-four hours from the time they had begun, and the committee took immediate action upon the application of the strikers for support. The first strikes of which we have record were for the purpose of enforcing the closed shop, and occurred as early as 1856. Such strikes were directed against the employment either of non-unionist journeymen or non-union foremen. Strikes also occurred on account of reductions in the piece prices, for an advance in the prices for making certain shapes of cigars, and for the enforcement of the apprenticeship regulations. There were also strikes for other causes, but they were less notable and not always sustained by the union.

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## COURSES IN POLITICAL ECONOMY

OFFERED BY THE JOHNS HOPKINS UNIVERSITY

## GRADUATE COURSES

The graduate instruction in Political Economy is designed primarily to meet the needs of advanced students preparing for a professional career in economic science. The courses afford systematic instruction in general economic principles, intimate acquaintance with special fields of economic activity, and, most important of all, knowledge of and ability to employ sound methods of economic research. The work centres in the Economic Seminary, the membership of which is limited to the most advanced students, and the primary design of which is to develop scientific research in economic study and investigation.

Formal graduate instruction is offered in Economic Theory and in Applied Economics, by parallel courses of lectures throughout the year. The particular topics treated vary from year to year. In 1908-09 Professor Hollander lectured two hours weekly on economic thought before Adam Smith, and two hours weekly on the theory and practice of exchange. During the year 1909-10 attention was given, in the course on economic theory, to the economic system of David Ricardo. In the course on applied economics, careful study was made of the history and theory of taxation. Associate Professor Barnett lectured during the first half-year on the development of factory legislation and during the second half-year on the legal position of trade unions. Special courses of lectures were given during the year by Mr. John M. Glenn, Director of the Russell Sage Foundation, on "Problems of Relief;" by Mr. Logan G. McPherson, of New York, on "Railway Transportation;" by Dr. James Bonar, Deputy

Master of the Canadian Mint, on "Justice and Distribution."

The courses offered for 1910-11 are as follows:

1. The Economic Seminary.

*Two hours weekly, through the year.* Professor HOLLANDER and Associate Professor BARNETT.

The work of the year will continue to be a systematic study of the history, structure, and activities of labor organizations in the United States.

2. The Principles of Political Economy.

*Two hours weekly, through the year.* Professor HOLLANDER.

During the first half-year, attention will be paid to the proper method of economic inquiry; during the second half-year the fundamental theories of the science will be subjected to critical examination. Representative texts will be assigned for reading and study.

3. Municipal Finance.

*Two hours weekly, through the year.* Professor HOLLANDER.

During the first half-year, the historical development of American local finance will be studied; during the second half-year, attention will be paid to the present fiscal problems of the American city.

4. Industrial Corporations.

*One hour weekly, through the year.* Associate Professor BARNETT.

During the first half-year attention will be given to the history of the industrial corporation and to its position in modern economic organization; during the second half-year a detailed study will be made of the administration and financing of industrial corporations.

Special courses of lectures will be given by non-resident lecturers upon such practical economic problems as charities and correction, railway transportation, industrial organization.

A reading class is organized yearly by the more advanced students of the department for the co-operative study of economic texts and for the critical discussion of current economic literature.

In co-operation with the departments of history and political science, opportunity is offered in the Historical and Political Science Association for the presentation and discussion of original papers in economic science by instructors and invited speakers, and for the review by students of current publications of importance in these fields.



## UNDERGRADUATE COURSES

## 1. (a) Economic History.

The economic development of England from the tenth century to the present time and the most important experiences of the United States are studied.

*Three hours weekly, first half-year.* Associate Professor BARNETT.

## (b) Elements of Economics.

Particular attention is given to the theory of distribution and its application to leading economic problems.

*Three hours weekly, second half-year.* Associate Professor BARNETT.

## 2. (a) Finance.

The theory and practice of finance are considered, with particular reference to problems of taxation as presented in the experience of the United States.

*Three hours weekly, first half-year.* Professor HOLLANDER.

## (b) Money and Banking.

The principles of monetary science are taught with reference to practical conditions in modern systems of currency, banking, and credit.

*Three hours weekly, second half-year.* Professor HOLLANDER.

## 3. (a) Statistical Methods.

After a preliminary study of the value and place of statistics as an instrument of investigation, attention is directed to the chief methods used in statistical inquiry.

*Three hours weekly, first half-year.* Associate Professor BARNETT.

## (b) Economic Institutions.

Labor unions, corporations, and trusts are studied primarily as elements in the organization of industry.

*Three hours weekly, second half-year.* Associate Professor BARNETT.

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NOTE.—Undergraduate course 2 is open only to such students as have completed course 1; and, save under exceptional circumstances, course 3 only to students who have completed 1 and 2.

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## TRADE-UNION STUDIES

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For several years the Economic Seminary of the Johns Hopkins University has been largely engaged in investigating certain phases of American trade-unionism. Some results of this investigation have been published, as follows:

**The Finances of American Trade Unions.** By A. M. Sakolski. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**National Labor Federations in the United States.** By William Kirk. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**Apprenticeship in American Trade Unions.** By James M. Motley. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)

**Beneficiary Features of American Trade Unions.** By James B. Kennedy. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)

**Bibliography of American Trade-Union Publications.** *Second Edition.* Edited by George E. Barnett. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)

**Studies in American Trade Unionism.** Edited by J. H. Hollander and G. E. Barnett. (Cloth) \$2.75. (Henry Holt & Co., New York.)

**The Printers: A Study in American Trade Unionism.** By George E. Barnett. (Paper) \$1.50, (Cloth) \$2.00. (American Economic Association, Cambridge, Mass.)

# A REPRINT OF ECONOMIC TRACTS

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The Johns Hopkins Press invites subscriptions to a reprint of four important economic essays of the eighteenth century, to be issued consecutively under the editorial direction of Professor Hollander:—

**The Querist**, containing several queries, proposed to the consideration of the public. Parts I, II, III. By George Berkeley. Dublin, 1735-37.

**An Essay on the Governing Causes of the Natural Rate of Interest**; wherein the sentiments of Sir William Petty and Mr. Locke, on that head, are considered. By Joseph Massie. London, 1750.

**Money answers all Things**: or an essay to make money sufficiently plentiful amongst all ranks of people, and increase our foreign and domestic trade. By Jacob Vanderlint. London, 1734.

**An Essay on Ways and Means for raising Money for the support of the present war, without increasing the public debts**. By Francis Fauquier. London, 1756.

Each tract will be supplied by the editor with a brief introduction and with text annotations where indispensable. The general appearance of the title-page will be preserved, and the original pagination will be indicated.

The edition will be limited to five hundred copies. With a view to serving the largest student usefulness, the subscription for the entire series of four tracts has been fixed at the net price of Two Dollars.

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Of the tracts heretofore reprinted, a limited number can yet be obtained, as follows. As the editions approach exhaustion, the prices indicated are likely to be increased without notice:—

**Asgill**, "Several Assertions Proved." London, 1696. Price, 50 cents.

**Barbon**, "A Discourse of Trade." London, 1690. Price, 50 cents.

**Fortrey**, "England's Interest Considered." Cambridge, 1663. Price, 50 cents.

**Longe**, "A Refutation of the Wage-Fund Theory." London, 1866. Price, 75 cents.

**Malthus**, "An Inquiry into the Nature and Progress of Rent." London, 1815. Price, 75 cents.

**North**, "Discourses upon Trade." London, 1691. Price, 50 cents.

**Ricardo**, "Three Letters on 'The Price of Gold,'" London, 1809. Price, 75 cents.

**West**, "Essay on the Application of Capital to Land." London, 1815. Price, 75 cents.

Subscriptions and orders should be sent to

THE JOHNS HOPKINS PRESS,

BALTIMORE, MARYLAND.

## CURRENT NOTES

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Among the lectures recently delivered in McCoy Hall the following are noteworthy:

Dr. EDUARD MEYER, Professor of Ancient History in the University of Berlin, on (1) "Egypt at the Time of the Pyramid Builders," (2) "Augustus," March 31 and April 1.

Dr. J. RENDEL HARRIS, Director of Studies in the Woodbrooke Settlement, Birmingham, England, on "An Early Christian Psalter," April 11.

Dr. JAMES S. REID, Professor of Ancient History in the University of Cambridge, on "The Roman 'Colonia' as an Instrument for the Spread of Roman Influence and Culture," April 29.

Before the Baltimore Society of the Archaeological Institute of America, Professor WILLIAM K. PRENTICE, of Princeton University, recently a professor in the American School at Athens, on "Ancient Athens in the Modern City," March 29.

Before the Municipal Art Society, Dr. WILLIAM H. TOLMAN, of New York, on "The City Beautiful," March 14; Mr. ROYAL CORTISSOZ, of New York, on "The Charm of Paint," April 18.

Before the Alliance Française, M. CAMILLE ENLART, Director of the Museum of Comparative Sculpture of the Trocadéro, on "L'Architecture Coloniale et la Colonisation au Moyen Age," March 11.

Before the Public School Teachers' Association of Baltimore, Mr. BERNARD N. BAKER, President of the Moral Education Society, and Mr. MILTON FAIRCHILD, on "Teaching Morals by Photographs," February 12; Professor JOSEPH S. AMES, on "Comets, with Special Reference to Halley's Comet," April 9.

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The following department courses before students of History, Political Economy, and Political Science have been given by non-resident lecturers:

Baron SERGE A. KORFF, Professor of Russian Public Law in the University of Finland, on "The History of the Political and Social Institutions of the Russian Empire in the Nineteenth Century," five lectures, April 13-May 18.

Dr. JAMES BONAR, Deputy Master of the Canadian Branch of the Royal Mint, on "Disturbing Elements in the Study and Teaching of Political Economy," five lectures, April 25-29.

HIRAM BINGHAM, Ph. D., Lecturer on Latin-American History in Yale University, on "The History of the Scots-Darien Company,—an International Episode," ten lectures on the Albert Shaw foundation, February 25-March 22.

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The Thirteenth Annual Interclass Debate and Contest in Public Speaking by undergraduates was held March 10.



## THE JOHNS HOPKINS PRESS OF BALTIMORE

- American Journal of Mathematics.** FRANK MORLEY, Editor. Quarterly. 4to. Volume XXXII in progress. \$5 per volume. (Foreign postage, fifty cents.)
- American Chemical Journal.** IRA REMSEN, Editor. Monthly. 8vo. Volume LXIII in progress. \$5 per year. (Foreign postage, fifty cents.)
- American Journal of Philology.** B. L. GILDERSLEEVE, Editor. Quarterly. 8vo. Volume XXXI in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Studies in Historical and Political Science.** Under the direction of the Departments of History, Political Economy, and Political Science. Monthly, 8vo. Volume XXVIII in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Johns Hopkins University Circular,** including the President's Report, Annual Register, and Medical Department Catalogue. Monthly. 8vo. \$1 per year.
- Johns Hopkins Hospital Bulletin.** Monthly. 4to. Volume XXI in progress. \$2 per year. (Foreign postage, fifty cents.)
- Johns Hopkins Hospital Reports.** 8vo. Volume XV in progress. \$5 per volume. (Foreign postage, fifty cents.)
- Contributions to Assyriology and Semitic Philology.** PAUL HAUPT and FRIEDRICH DELITZSCH, Editors. Volume VII in progress.
- Memoirs from the Biological Laboratory.** Five volumes have appeared.
- Modern Language Notes.** A. M. ELLIOTT, Editor; J. W. Bright and H. Collitz, Associate Editors. Eight times yearly. 4to. Volume XXV in progress. \$1.50 per volume. (Foreign postage, twenty-five cents.)
- American Journal of Insanity.** Board of Editors. Quarterly. 8vo. Volume LXVI in progress. \$5 per volume.
- Terrestrial Magnetism and Atmospheric Electricity.** L. A. BAUER, Editor. Quarterly. 8vo. Volume XV in progress. \$2.50 per volume. (Foreign postage, twenty-five cents.)
- Reprint of Economic Tracts.** J. H. HOLLANDER, Editor. Third series, in progress. \$2.00.
- Report of the Maryland Geological Survey.**
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- ROWLAND'S PHOTOGRAPH OF THE NORMAL SOLAR SPECTRUM.** Ten plates. \$25.
- PHOTOGRAPHIC REPRODUCTION OF THE KASHMIRIAN ATHARVA-VEDA.** M. Bloomfield, Editor. 3 vols. Folio. \$50.
- POEMA DE FERNAN GONÇALEZ.** Edited by C. Carroll Marden. 284 pp. 8vo. \$2.50 net.
- THE TAIL OF RAUF COLLYEAR.** Edited by William Hand Browne, 164 pp. 8vo. \$1.00 net.
- A NEW CRITICAL EDITION OF THE HEBREW TEXT OF THE OLD TESTAMENT.** Paul Haupt, Editor. Prospectus on application.
- STUDIES IN HONOR OF PROFESSOR GILDERSLEEVE.** 527 pp. 8vo. \$6.
- THE PHYSICAL PAPERS OF HENRY A. ROWLAND.** 716 pp. 8vo. \$7.50.
- THE OYSTER.** By W. K. Brooks. 225 pp. 8vo. \$1.
- ECCLESIASTES: A NEW METRICAL TRANSLATION.** By Paul Haupt. 50 pp. 8vo. 50 cents.
- THE BOOK OF NAHUM: A NEW METRICAL TRANSLATION.** By Paul Haupt. 53 pp. 8vo. 50 cents.
- ANCIENT SINOPE.** By David M. Robinson. 112 pp. 8vo. \$1.
- NOTES ON STAHL'S SYNTAX OF THE GREEK VERB.** By Basil L. Gildersleeve. 65 pp. 50 cents.
- THE HAGUE PEACE CONFERENCES OF 1899 AND 1907.** By James Brown Scott. Vol. I, The Conferences, 887 pp.; Vol. II, Documents, 548 pp. 8vo. \$5.
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The Johns Hopkins Press.

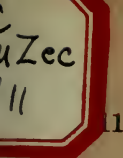












No. 4

THE  
JOHNS HOPKINS  
UNIVERSITY CIRCULAR

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THE  
ECONOMIC SEMINARY  
1910-11

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# JOHNS HOPKINS UNIVERSITY CIRCULAR, No. 234

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## CONTENTS

	PAGE
THE ECONOMIC SEMINARY . . . . .	1
The Defect in Adam Smith's Theory of Money. By JACOB H. HOLLANDER . . . . .	4
The Breaking Down of the Distinctions between the Classes of Banks in the United States. By GEORGE E. BARNETT . . . . .	8
The Union Argument for the Closed Shop. By FRANK T. STOCKTON . . . . .	12
Admission of Aliens to Membership in American Trade Unions. By F. E. WOLFE . . . . .	16
The Introduction of the Owens Automatic Bottle Ma- chine. By A. B. MORTON . . . . .	24
The Introduction of the Penitentiary System in Mary- land. By A. O. MULLEN . . . . .	28
The Early History of the Cigarmakers' Union. By MARIE H. HOURWICH . . . . .	33
The Influence of Labor Unions upon Legislation in Maryland. By H. WIRT STEELE . . . . .	38
The Initiation and Control of Strikes in the Interna- tional Cigarmakers' Union. By GEORGE M. JANES .	44
Jurisdictional Disputes between the Plumbers and Steamfitters. By N. R. WHITNEY . . . . .	49
The Beginning of the Baltimore Straw Hat Industry. By J. LUTHER MARTIN . . . . .	52
Trade Union Co-operation with Organized Charities in Baltimore. By C. C. ROHR . . . . .	56
STUDIES IN TRADE UNIONISM . . . . .	60
A REPRINT OF ECONOMIC TRACTS . . . . .	61
CURRENT NOTES . . . . .	62
PROCEEDINGS OF SOCIETIES . . . . .	63

# THE JOHNS HOPKINS UNIVERSITY CIRCULAR

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## THE ECONOMIC SEMINARY, 1910-1911

Edited by PROFESSOR JACOB H. HOLLANDER and Associate  
PROFESSOR GEORGE E. BARNETT.

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The work of the Economic Seminary during the current academic year has centered as heretofore in an investigation of the organization and activities of American trade unions. Various inquiries before instituted were pushed forward to completion and substantial progress was made in certain other aspects of the subject, notably, (a) jurisdictional disputes, (b) social activities, (c) the control of strikes. In the summer of 1910 each member of the Seminary carried on field work in connection with the particular phase of the subject in which he was interested. The summer work was fruitful also in adding materially to the large collection of trade-union publications in the possession of the University.

During the past year Ernest R. Spedden's dissertation on "The Trade-Union Label" appeared in the *Johns Hopkins University Studies in Historical and Political Science*, Series XXVIII, No. 2. Three other monographic studies submitted by members of the Seminary, in part



fulfilment for the doctor of philosophy degree, are now in press for early issue: "The Government of American Trade Unions," by Theodore W. Glocker; "The Standard Rate in American Trade Unions," by David A. McCabe; "The Closed Shop in American Trade Unions," by Frank T. Stockton.

The course of five lectures delivered before the Economic Seminary in April, 1910, by Dr. James Bonar, Deputy Master of the Canadian Mint, on "Disturbing Elements in the Study and Teaching of Political Economy," was issued in book form by the Johns Hopkins Press. Professor Hollander published under the caption of "David Ricardo, A Centenary Estimate," (*Studies*, Series XXVIII, No. 4) an expansion of three lectures before the Economic Department of Harvard University, to mark the centenary anniversary of the appearance of Ricardo's first important publication. The results of an investigation of State banks and trust companies, made by Dr. Barnett for the National Monetary Commission, appeared under the title "State Banks and Trust Companies in the United States since the Passage of the National Bank Act" (Senate Document No. 659, 61st Congress, third session, Washington, 1911). In the reprint of economic tracts there appeared, under Professor Hollander's editorship, the unobtainable first edition of Bishop Berkeley's "The Querist," one of the characteristic economic contributions of the eighteenth century.

The record of the proceedings of the Seminary, and abstracts of certain papers presented are appended:

Oct. 12—Reports on summer field work by Professor Hollander and Associate Professor Barnett.

Oct. 20—"The Closed Shop as a Trade Union Device," by F. T. Stockton.

Oct. 26—Reports on summer field work by Miss Hourwich and Messrs. Stockton, Wolfe, Mullen and Morton.

Nov. 3—"Competency as a Qualification for Membership in American Trade Unions," by F. E. Wolfe.

Nov. 9—"Introduction of Machinery into the Manufacture of Window Glass," by A. B. Morton.

Nov. 17—"Some Conclusions from a Study of State Banks and Trust Companies," by Associate Professor Barnett.

Nov. 23—"Jurisdictional Disputes between the United Association of Plumbers and the International Association of Steam Fitters," by W. R. Whitney.

Dec. 1—(a) "Initiation and Control of Strikes in the Bricklayers and Masons' International Union," by G. M. Janes; (b) "Charitable Activities of Trade Unions in Baltimore," by C. C. Rohr.

Dec. 7—"Forms of the Closed Shop," by F. T. Stockton.

Dec. 15—"Admission of Immigrants into American Trade Unions," by F. E. Wolfe.

Dec. 21—"Liability of Stockholders of State Banks," by Associate Professor Barnett.

Jan. 4—"The St. Louis Meeting of the American Economic Association," by Professor Hollander and Associate Professor Barnett.

Jan. 13—"The Introduction of Machinery into the Manufacture of Glass Bottles," by A. B. Morton.

Jan. 19—"The Early History of the Cigar Makers," by M. H. Hourwich.

Jan. 25—"Social Aspects of Trade Union Activities in Baltimore," by C. C. Rohr.

Feb. 2—"The Control of Strikes in the Cigar Makers' International Union," by G. M. Janes.

Feb. 8—"The Development of the Theory of Money from Adam Smith to David Ricardo," by Professor Hollander.

Feb. 16—"The Punishment of Criminals in Maryland prior to the Establishment of the Penitentiary," by A. O. Mullen.

Mar. 2—"Jurisdiction in the Granite Cutters' Union," by N. R. Whitney.

Mar. 8—"The Beginning of the Straw Hat Industry in the United States," by J. L. Martin.

Mar. 16—"The Early Activities of the Cigar Makers' Union," by M. H. Hourwich.

Mar. 22—"Senator Aldrich's Plan for a National Reserve Association," by F. T. Stockton.

Mar. 31—"The Legal Protection of Trade-Union Membership," by F. E. Wolfe.

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## THE DEFECT IN ADAM SMITH'S THEORY OF MONEY.

BY JACOB H. HOLLANDER

The serious defect in Adam Smith's theory of money—the more significant in the light of subsequent monetary happenings—appeared in connection with the inevitable query: How much money ought a country to have and what are the symptoms and measure of excess or deficiency? It was precisely about this point—the forces determining the normal amount of a country's money supply—that succeeding controversies raged,—the repeal of the Bank Restriction in the first quarter of the nineteenth century, the revision of the Bank Charter in the second, and it was precisely here that the "Wealth of Nations" was lacking. That there was, at any given time and in the case of every particular country, a customary amount of money which neither design nor circumstance could permanently augment, was a necessary corollary of all argument against mercantilist theory and balance of trade policy, and this proposition Adam Smith, like a succession of writers before him, maintained with great force and abundant illustration. But to the further question, "How much money is it right and sufficient for a country to have?" Smith gave no answer, beyond saying vaguely that it was determined by "effectual demand," being always the sum required to circulate and distribute to its proper consumers the annual produce of the land and labor of the country. He did indeed imply that this sum bore some proportion to the whole value of the annual produce circulated by it, but he added that such proportion had been computed by different authors "at a fifth, at a tenth, at a twentieth and at a thirtieth part of that value"—and refrained from venturing upon a formula of his own.

Adam Smith made familiar use of the failure of Spain and Portugal to augment their money supply by accumulation; and he recounted the early experiences of the Bank of England and the Scotch banks, whereby a continuing policy of excessive note issue had caused a steady loss of bullion and a chronic replacement of the Bank's gold. But such occurrences were cited only in confirmation of his empirical assumption that the amount of money which a country could "easily absorb and employ" was a definite sum, fixed by the interior exchange requirements of that particular country and irrespective of all external conditions. Redundancy—to whatever cause due, whether mines or banks—would be followed by an efflux of gold; but only for the reason that the "channel of circulation" must in such event overflow, and this overflow, being too valuable to lie idle, was sent abroad "to seek that valuable employment which it cannot find at home."

The absence from the "Wealth of Nations" of any adequate discussion of the normal quantity of a country's supply of money and of the symptom and test of redundancy is the more surprising in view of the frequency with which the doctrine of the "territorial distribution" of the precious metals had cropped out in earlier economic writing. With some justice Ricardo was able in 1810 to speak of "the most approved writers in political economy" sharing such an opinion. North, Locke, Berkeley, Cantillon, Petty and Barbon—had in turn pointed out the fallacy of the mercantilist accumulation of specie, and had set forth that the amount of money in any particular country tends to a fixed and definite proportion of the nation's resources. In Hume and Harris casual expressions were replaced by explicit and unmistakable exposition, not indeed as a direct phase of monetary theory, but as a final refutation of the mercantilistic fallacy of metallic accumulation. Money is like water, Hume declared—and his argument was developed and amplified



by the author of the "Essay upon Money and Coin," "the judicious and intelligent Harris," in Chalmers' phrase—tending everywhere to a level through the means of relative prices and international trade, and this not by any physical force but by "a moral attraction arising from the interests and passions of men, which is full as potent and infallible." If four-fifths of all the money in Britain were destroyed in a night, or conversely if the supply were multiplied five-fold, a relative level would promptly be restored, and the same causes which would correct these inequalities due to the miraculous "must prevent their happening in the common course of nature, and must forever, in all neighboring nations, preserve money nearly proportioned to the art and industry of each nation."

It is true that Hume's opinions, widely circulated and influential as they were, did not pass unchallenged. A few years later Sir James Steuart controverted Hume's position both as to the relation of money to prices and as to the tendency of money everywhere to maintain its level, with a vehemence that in itself might have been expected to arrest Smith's attention. Insisting that it was one of "the objects of a statesman's attention" to maintain "a just proportion between the produce of industry, and the quantity of circulating equivalent, in the hands of his subjects, for the purchase of it,"—Steuart denied with characteristic indirection Hume's "territorial distribution" theory. In positive exposition, however, Steuart made little progress beyond asserting that "it is impossible to determine the proportion of coin necessary for carrying on the circulation of a country, especially of one where neither loan, or paper credit, that is the melting down of solid property, are familiarly known."

As a matter of fact, however, Adam Smith was neither convinced by Hume nor converted by Steuart. He merely accepted the fact and gave little concern to the theory. Indeed there was little in contemporary monetary experi-



ence to emphasize the importance of such an inquiry. England was not then, as a generation later, confronted with the inconveniences of monetary redundancy on the one hand, nor exposed to the evils of monetary scarcity on the other. In so far as the currency of a country might be augmented by metallic accumulation, Smith deemed himself concerned with a worn-out mercantilist fallacy rather than a present monetary problem, and contented himself with the familiar *reductio ad absurdum* as to Spain's experience. In so far as the source of augmentation might be a note-issuing bank, Smith shared the view that the absorption of such a "well regulated paper money" was accompanied by an equivalent displacement of specie. In this sense Hume in 1752, had spoken of paper credit as "a counterfeit money," of public convenience only when issued, as by the Bank of Amsterdam, upon the basis of equivalent bullion, and of which any further emission was harmful in that it expelled a corresponding amount of specie; and Harris, writing in 1758, had repeated that any increase of bank notes much beyond an identical stock of bullion was likely to prove mischievous both by "increasing in effect the quantity of circulating cash beyond its natural level, and by endangering in a cloudy day, their own credit."

In short, the possibilities with which Adam Smith thought he had to deal in the matter of an increase in the country's money supply were, first, a futile accumulation of specie by manipulated trade or colonial exploitation, and, second, an excessive issue of notes payable in demand. It was to these contingencies alone that he confined his argument and directed his theory. That it might be possible for the currency of England to be swollen by a continuing issue of inconvertible bank notes and that, in consequence, there must be, as the basis for positive legislation, some theoretical determination of the normal money requirement were developments of which Smith and his immediate successors never dreamed.

## THE BREAKING DOWN OF THE DISTINCTIONS BETWEEN THE CLASSES OF BANKS IN THE UNITED STATES

BY GEORGE E. BARNETT

The 25,000 banks in operation in the United States are ordinarily classified into (a) national banks, (b) State banks, (c) trust companies, (d) stock savings banks, (e) mutual savings banks, and (f) private banks. This classification it will be noted is based not on a single but on several criteria. Private banks, for example, are distinguished from the other classes by the fact that private banks are not incorporated, while stock savings banks differ from mutual savings banks in that the former have a capital stock while the latter do not. The classification by means of several criteria has tended to obscure the fact that the really important differences between several of the classes—differences in the character of their business—are less than formerly.

In 1870 the banks of the United States might, with some exactness, have been divided according to the character of their business into three great classes. First, the commercial banks, i. e., banks doing a discount and deposit business. In this class were included the national, State, and private banks. Second, the savings banks, i. e., banks receiving savings deposits. This class included the mutual and the stock savings banks. Third, the trust companies, which were organized to serve in various fiduciary relations, and which also had power to receive trust deposits. The differences among these classes in the kind of business they conduct are far less clearly marked at the present time. This change has been due to two developments. In the first place, many of the commercial banks and trust companies have undertaken more and more the receiving of savings deposits. Secondly, the

trust companies or many of them have increased their banking activities to include the business of discount and deposit.

(1) The extension of the business of national banks to include the taking of savings deposits has not required the granting of new powers. Similarly, in most of the States, the State banking laws have always permitted the taking of such deposits. In 1909 according to reports made to the National Monetary Commission, the savings deposits in the United States were distributed as follows:

	Total No. of banks	No. of reporting banks	Amt. of sav- ings de- posits (in millions)
State Banks .....	11,319	8,258	597
National Banks .....	6,893	6,592	757
Trust Companies .....	1,079	862	657
Mutual Savings Banks.....	642	627	3,138
Stock Savings Banks.....	1,061	913	495a
Private Banks .....	1,497	993	32

<sup>a</sup>Includes other deposits.

It will be noted that the State banks, national banks, private banks, and trust companies together hold considerably more than one-third of all the savings deposits in the United States.

(2) The early trust companies practically all had power to receive deposits of money in trust. When they were chartered, it was expected, to quote the Report of the Massachusetts Commissioners of Savings Banks for 1871, that they would afford "to the owners of capital not engaged in business many of the advantages secured by our savings bank system for the savings of labor." The enlargement of the banking powers of the trust companies has been primarily an economic development and not one due to legislative design. The opportunity to enlarge the banking powers of the companies lay in the difficulty of distinguishing clearly between the powers which it was intended to confer upon the trust companies and the bank-

ing powers possessed by State and national banks. In the greater number of the States the wording of the sections conferring powers to do a trust business was such that the trust companies were held by the courts to be empowered to do a banking business. If the power to do such business seemed not to be granted, the companies in some States were able by a change in the method of doing the kind of banking business in question to bring it within the powers actually conferred. In other States the trust companies have attained legal recognition of their banking powers by slow steps.

In 1909 according to reports made to the National Monetary Commission the trust companies of the United States held \$1,826,000,000 of individual deposits subject to check, against \$3,514,000,000 of such deposits in the national banks and \$1,409,000,000 in the State banks.

The breaking down of the distinctions in the character of business done by the different classes of banks has profoundly influenced the character of the legal regulation of banking institutions. The older legislation separated the banks into classes and imposed upon each class certain regulations. There has recently been a strong tendency in State legislation to make the provision of the banking law apply to certain classes of business and not to classes of banks. The California bank act of 1909 contains the most complete application of the policy of disregarding the old line of distinction between the State banks, trust companies, and savings banks, and basing the regulation of the banking business on the character of the business. Under this act banks are nominally divided into commercial banks, savings banks, and trust companies. Any bank, however, may carry on any or all of the three classes of business, but each kind of business must be kept separate and distinct, and the regulations apply specifically to each department. The regulations, for



instance, concerning the reserve to be held against demand deposits are the same whether the deposits are in a bank which has only a commercial department or whether they are in a bank which combines all three departments.

The laws enacted in several States with reference to the treatment of savings deposits also illustrate the same tendency. In practically all the States and Territories, some at least of the State banks and trust companies receive such deposits. Until recently savings depositors in these institutions were on the same footing as other depositors. If the bank failed, they shared in the assets with other depositors. In fact, the savings depositor was in one way at a disadvantage, for a bank in danger of insolvency might refuse to allow the withdrawal of its savings deposits except after sixty or ninety days' notice. In the meantime, the other depositors might withdraw their deposits or a considerable part of them, leaving the savings depositors to bear the burden of the failure. In 1891 the New Hampshire legislature enacted a law which applied to savings deposits in trust companies the principles which has been worked out through the experience of many years for mutual savings banks. The savings deposits were to be segregated and held in a separate department and were to be invested only in the securities in which it was permissible for mutual savings banks to invest their funds. In the event of the insolvency of the bank, the assets of the savings department were to be used in paying the savings depositors. In 1899 the Michigan bank act, which already provided for the investment of savings deposits in specified securities, was amended so as to provide that "all the investments relating to the savings department shall be kept entirely separate and apart from the other investments of the bank." The supreme court of Michigan in interpreting this provision said: "So long as it is entirely possible to trace the fund which was invested in these securities



as a fund derived from the savings department, we think there is no difficulty in saying that it should be impressed with a trust in favor of the savings depositors." In order to make certain that such funds should be traceable, the legislature of Michigan provided, in 1909, for the imposition of a fine on any bank combining commercial and savings banking which did not keep separate accounts and investments. Legislation similar to that in New Hampshire and Michigan was enacted in Connecticut in 1907, in Massachusetts and Rhode Island in 1908, and in California and Texas in 1909.

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## THE UNION ARGUMENT FOR THE CLOSED SHOP

BY FRANK T. STOCKTON

In answer to the attacks made upon the closed shop, American trade unions which uphold the closed shop have felt obliged to explain at some length the motives which induce them to exclude non-members from employment. These unions claim, in the first place, that the closed shop is necessary in order to enforce discipline. The function of a labor organization is to secure higher wages, shorter hours and more satisfactory working conditions for its members. To gain these ends it is necessary that every unionist shall observe the rules and agreements of his union and refuse to work otherwise than as it directs. If he fails to do this he must be punished in order to prevent others from following his example. No penalty is so thoroughgoing in its enforcement of discipline as that which deprives a man of his livelihood and this is what the closed shop does in the case of "scabs." The latter fear unemployment to a far greater degree than mere social ostracism or loss of membership. Accordingly the closed shop is a "stimulus" which is the "best possible means" of holding work-

men "to fidelity to the union." Similarly, non-members are influenced not to become strike-breakers.

Secondly, the unions insist that unless they have full control over all the men in a particular shop they cannot enforce the provisions of a contract with the employer. Since the employer is constantly seeking to extend the responsibility of trade unions, to meet this responsibility it is incumbent upon labor organizations to exercise jurisdiction over all the men in the shop. In an open shop, while union men can be disciplined to some extent by expulsion from their organizations for failing to observe the provisions of the contract, both employer and union are "subject to the irresponsibility of the non-unionist or his failure to act in concert with . . . the unionists." In a closed shop all workmen are equally responsible for the fulfillment of the collective contract since all are parties to it in the same degree. Collective bargaining thus becomes "complete, effective, successful."

Again, the open shop is opposed on the ground that it would ultimately result in making many shops non-union. Particularly would this be the case if the open shop involved the use of individual agreements between employer and non-unionist. Non-union men would not be restrained from working to suit themselves, irrespective of the wishes of the union. Many of them would be "subservient" enough to cut wages, work overtime, etc., in order to obtain the employer's favor. Naturally the latter would encourage the employment of men who did as he liked them to do, and so, one by one, union men would be discharged. Accordingly it has been said that the open shop "means only an open door through which to turn the union man out and bring the non-union man in to take his place."

But even if individual agreements are replaced by an agreement between union and employer covering all the men in the shop, unionists contend that the em-

ployer, if allowed to maintain an open shop, will favor non-unionists. The employer will arrange that "the promotions, the easy places, the favors, all fall to the non-union workman. . . . This is his reward for minding his own business. . . . Union men are much like other men. They cannot long be persuaded to pay dues, or make sacrifices to their organization, when they find that others are favored or promoted over them, or receive special privileges because they are non-union men." Consequently, they, too, will try to "curry favor with the boss" by accepting secret reductions in their wages or even by leaving the union. "The result," to quote Mr. John Mitchell, "of a number of non-unionists cutting wages or the price of work is like the existence in a community of healthy people of a man afflicted by a contagious disease."

Going a step farther, advocates of the closed shop contend that even if agreements were signed with employers for all their employes and if employes did not favor non-unionists, yet the open shop would in many cases result in non-union conditions. This would prove to be the case, it is said, because in such shops non-union men would receive the same benefits as unionists and yet would not be compelled to help support the union. The secretary of the Bricklayers in a recent report said, "It is only logical to suppose that if the benefits of collective bargaining could be secured without paying dues, etc., only the faithful would remain." Sooner or later then, the shop must become practically non-union if it is not made a strict closed shop. Mr. Samuel Gompers has repeatedly affirmed that "any establishment cannot long remain part union and part non-union."

Even if it were possible for unions to maintain their membership in open shops, the unionists claim that all persons who receive benefit from the existence of a union should be forced to aid in its support. The non-unionist who accepts higher wages as the result of union efforts

and makes no sacrifice in return, is denounced as an "industrial parasite." No matter how much union membership benefits those who enjoy it, it is "not in human nature to expect that a man who has borne the brunt of the conflict and the heat of the day should view with equanimity his enemies, or, at all events, his lukewarm allies enjoying the fruits of his toil." Unionism has gained many victories for labor in the past. It is not expected of the non-unionist that he pay for these. The only requirement made of him is that "the cost and burden of union management and action be fairly shared in the future." There is no other way, as far as unionists and their sympathizers can see, by which non-unionists can be held up to their moral obligation to support the organizations which advance their interests except by discrimination against their employment.

The closed shop has also been defended as a trade union device on the ground that it aids unions in increasing their membership. It is claimed that if men know that they cannot obtain employment without having a union card or "permit" in their possession they will speedily obtain admission into the union of their trade. Experience, it is pointed out, has shown this to be a fact in many instances. Certain workmen are always "in and out" of the union. They are "in the union" when the closed shop is so well enforced that they cannot obtain employment without union membership. They are "out of the union" when they are working in a locality where the open shop prevails. One union leader, in fact, has gone so far as to say that "the mere closing of one door to the non-unionists is the best argument to him for application, and the value of the card is an incentive for the member to continue holding it."

Finally, it is asserted that in dangerous trades the closed shop is necessary because of the legal principle, known as the "fellow servant doctrine", under which



the employer is released from liability for accidents to workmen due to acts of their fellow employees. In open shops where the men as a whole have no choice in regard to their co-employees, work must be carried on with careless journeymen as long as it suits the employer. But if the closed shop prevails, a careless workman, who might be efficient in his work and yet has no regard for the welfare of his fellows, can be expelled from his union and thus be required to quit his employment. If the principle is to prevail that "each is responsible for all," then closed shop supporters insist that it is only in accordance with the "most elementary principles of self-preservation" for a workman to seek "through the union to have some voice in the choice of his fellow employees." It is his duty and privilege to say that he "will work only with men who have enough regard for their fellows to join them in a labor union for their self-defense."

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## ADMISSION OF ALIENS TO MEMBERSHIP IN AMERICAN TRADE UNIONS

BY F. E. WOLFE

It is argued by many trade unionists that the steady stream of immigrant labor which has poured into the United States during the last fifty years tends to depress wages. On this ground trade unions have, on occasion, demanded restrictive legislation concerning the admission of aliens to the country. Furthermore, a number of unions have preserved special conditions for the admission of immigrants, foreigners, aliens or unnaturalized persons to union membership. These special conditions are the subject of the present paper.

Many trades are without a considerable foreign-born element, and are not threatened with an over-supply of



workmen from increased immigration. For example, the Printing Pressmen, Commercial Telegraphers, Bridge and Structural Iron Workers, Steam Fitters, Saw Smiths, and Plumbers represent trades into which large numbers of recent immigrants have not entered and may not be expected to enter. These unions have never required special conditions for the admission of immigrants, but have permitted the local unions to decide for themselves as to admitting such persons. On the other hand, there are many trades into which immigrants or certain classes of immigrants readily pass. The unions in these trades have been led to consider the admission of immigrants, and in some cases have imposed special requirements.

Four special requirements have been imposed by unions for the admission of immigrants to membership: (1) naturalization, or declaration of intention to become a citizen; (2) payment of high initiation fees; (3) approval or consent of the officers of the national union; (4) presentation of the card of a foreign union.

(1) Eleven national unions have in recent years provided that foreign-born applicants may only be admitted to membership after naturalization or after legal declaration of intention to become naturalized citizens. The International Union of Bricklayers and Masons, and the International Union of United Brewery Workmen first adopted this provision in 1887. The other unions which have since made a similar rule include, in order of time, the Bakery and Confectionery Workers, Window Glass Workers, United Brotherhood of Carpenters, National Association of Marine Engineers, Hotel and Restaurant Employees, American Federation of Musicians, Compressed Air Workers, Slate and Tile Roofers, and Wood Carvers.

The Marine Engineers and Window Glass Workers require full-fledged citizenship. Usually, however, the unions have accepted persons who have made a declaration before the legal authorities of intention to become

citizens. In 1902, for example, a local union of bricklayers in Racine, Wisconsin, requested advice from the national union as to admitting seven immigrants who could not procure their first papers of naturalization because they had not been in the State one year. The national union recommended that a declaration of intention before the local union should be accepted until the opportunity to comply with the law presented itself. The United Brewery Workmen and the American Federation of Musicians admit persons who have secured their first naturalization papers, but make rigid provision for compelling the completion of the process of naturalization.

The reasons ordinarily advanced in explanation of the requirement of citizenship involve political and economic considerations. The United Brewery Workmen at their second annual convention in 1887 emphasized the necessity of the members acquiring citizenship "in order to assist in the social and political reform of our adopted fatherland." The union has since maintained the rule as being in support of its policy of promoting the welfare of its members, "through active participation in the political movements of the country." Desire for political strength in elections to oppose the prohibition movement probably accounts partly for the maintenance of the rule. The well-known socialistic proclivities of the union are also probably responsible in part for the rule. The membership has always been composed to a large extent of persons of foreign birth, and particularly of immigrants from Germany. The American Federation of Musicians, and Bakery and Confectionery Workers have also throughout their history been largely composed of immigrant workmen, and for political purposes citizenship has also been required.

Opposition on economic grounds to a large increase of foreign workmen in the trade also explains in part the desire to delay their admission into the union until naturalization has been begun. The Bricklayers and

Masons, and the United Brotherhood of Carpenters seem to have adopted the requirement partly in order to prevent a rapid influx of immigrant workmen into their trades. The requirement in the National Association of Window Glass Workers is one of several means which that union has adopted to discourage glass workers from coming to the country.

(2) An invariable condition of admission to any union is the payment of an initiation fee. Usually the amount is small, and is not sufficient to discourage the entrance of prospective members. Certain unions, however, demand higher initiation fees of immigrants than of other applicants. High and in some cases prohibitive initiation fees are imposed on this class of workmen by the Sanitary Potters, Granite Cutters, Brewery Workmen, Lithographers, Stone Cutters, Table Knife Grinders, Pen and Pocket Knife Blade Grinders and Finishers, Print Cutters, Wire Weavers, Lace Operatives, Flint Glass Workers, Window Glass Workers and Glass Bottle Blowers. The Wire Weavers, since 1895, and the Glass Bottle Blowers, since 1903, have charged immigrant workers five hundred dollars as an initiation fee. This is the highest regular initiation fee imposed upon any applicant in any American trade union. The lowest special fee for immigrants is that of ten dollars required by the Flint Glass Workers. The Window Glass Workers in 1892 fixed the initiation fee of immigrants at two hundred dollars, in 1895 at five hundred dollars, and in 1904 at three hundred dollars. Since 1907 the national executive board has been empowered to determine the fee for each individual case.

The national unions in other trades prescribe only a minimum initiation fee for all applicants, but reserve to local unions the right to increase the fee to any limit for special cases. In the port cities of the United States, the local unions in some trades have exercised this right by imposing higher fees on immigrants. Local unions of the Plasterers and of the Pattern Makers impose special fees

upon immigrants, in addition to the minimum set by the national union.

The purpose of imposing special initiation fees upon immigrants is in many instances to secure payment for advantages and privileges which are about to be received, and which would otherwise be procured without adequate contribution from the prospective members. High fees on the admission of immigrants are acknowledged to be for purposes of exclusion by the Glass Bottle Blowers, Window Glass Workers, Knife Grinders, Print Cutters, Lace Operatives and Wire Weavers. The five hundred dollar fee of the Wire Weavers is used as a prohibitive tariff particularly to keep out weavers from England and Scotland. The last foreign weavers were admitted in 1906 on payment of the special fee. The Lace Operatives raised the initiation fee for immigrant workmen in 1908 in order to discourage foreigners skilled in the trade from migrating to this country. The local unions which impose increased fees upon immigrants in the port cities seek to protect themselves against foreign workmen.

(3) The ordinary preliminaries to admitting candidates to union membership are a report of an investigating committee and a vote of the local union. Seven national unions prescribe that immigrant workmen may be admitted only upon the approval of the national officers or by vote of a national executive board or of the entire membership of the union. The Brewery Workmen require that the names of all immigrant candidates shall be sent to the national officers for the purpose of obtaining information as to their standing from the brewery workers' union in the country from which they came. The American Federation of Musicians requires that the local unions shall not admit musicians who have been imported by an agent, musical director, or employer unless the national executive board sanctions their admission. The United Hatters authorize the national secretary alone to grant cards of admission to immigrant workmen.



The unions in the glass trades have constantly opposed the immigration of foreign glass workers. The Window Glass Workers in the early eighties endeavored to form an international union to include all workers in the trade in the world, chiefly for the purpose of adjusting the supply of workers to the needs of each country. This federation maintained its existence for several years, but ceased during the nineties. The policy of the union toward immigrant window glass workers, however, continued one of exclusion. In 1899 the union in a communication to the Belgian union of window glass workers discouraged tradesmen from coming to the United States and advised them that they could not secure work here and that they could not join the union. In that year a rule was also adopted excluding foreign-born workmen for a period of five years. Since 1904 such workmen must have been residents for five years, and must be citizens to gain admission unless by special permission of the executive board. The union requires that all applications for admission must pass the board. The concurrence of the national board is necessary to make an election to membership legal.

At each annual session of the Glass Bottle Blowers' Association since 1892 provision has been made for the exclusion of immigrant blowers during the succeeding year, unless in the judgment of the national president and executive board their admission may be deemed necessary. Applications of foreign workmen desiring to enter the trade are made to the national officers or to the association in session. During the last five years no foreigners have been admitted. The Flint Glass Workers in 1889 provided that a foreigner who wished to become a member of the union should be proposed by a member in good standing in a local union, and if elected by a majority vote of the trade he was to be admitted. In 1902 the names of two "foreigners" were voted upon favorably by all the local unions.



The requirement that the application shall be passed upon by national officers or by vote of the members of the national union, makes admission more difficult than the ordinary method, on account of the delay involved. On the other hand, the national officers, executive board or entire membership usually act with a view to the best interests of a union. The national control of the admission of immigrant applicants affords greater effectiveness and convenience in dealing with a problem which concerns a union as a whole. The Brewery Workmen apparently seek to hold to account foreign workmen who have opposed unionism in their native land. The American Federation of Musicians desires to eliminate the competition of foreign musicians who have been imported to work at lower wages. The national union is better qualified than the local unions to determine when this class of musicians should be admitted and to what extent they should be excluded in the interest of the federation. The unions of the glass trades seem to have employed the method of national control in order to exclude foreign workmen. Their policy has generally been opposed to an influx of foreign glass workers. The national unions seek to adjust the number of members to the needs of the trades for workmen. In order to accomplish this aim it is necessary that the admission of foreign workmen should be under national control. This control has tended practically to keep out all immigrants.

(4) Immigrants who hold certificates of membership in a foreign union are granted favorable terms of admission by certain unions. The Cigar Makers, Molders, Machinists, Bakery and Confectionery Workers, and Boot and Shoe Workers admit without initiation charge or restriction immigrants who present paid up membership cards from a foreign union. The Painters and Decorators on the payment of a small fee admit immigrants who present cards showing them to have been in good standing in a foreign union for two years. The United Hatters

exclude foreign hatters who do not hold credentials from a recognized union. Those who show proper proof of previous membership are required to join within three months after arrival. On the other hand, a large number of unions have never made provision for accepting immigrants who present foreign union cards. The Bricklayers and Masons in 1908 refused to adopt such a provision. The Wire Weavers, Lace Operatives, Print Cutters, Window Glass Workers and Glass Bottle Blowers also do not exchange membership cards with foreign unions.

Ordinarily, the purpose of the requirement that foreign workmen should present paid-up membership cards from a foreign union seems to be to secure proof that the workmen are competent. The Brewery Workmen, and Painters and Decorators require cards showing the members to have been in good standing one and two years respectively, otherwise admission may not be secured by presenting a card. In some unions, however, the card is more than a mere certificate of competency. An exchange of membership cards between unions of different countries is prompted by a sentiment of unity in the labor movement. The Hatters specifically exclude immigrants without cards. The Potters in 1905 adopted the policy of excluding foreign workmen without membership cards on the ground that "the influx of foreign workmen into the pottery industry is an injury to the members of our craft."

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## THE INTRODUCTION OF THE OWENS AUTOMATIC BOTTLE MACHINE

By A. B. MORTON

The Owens machine differs widely from the glass blowing machines which preceded it. These machines had been only semi-automatic, that is, while they made possible a lower cost of production, their successful operation required the employment of skilled glass workers, who could only be obtained from the membership of the unions. Each improvement in the machines did something to reduce the need of employing expensive labor; but it was not until the introduction of the Owens machine in 1905 that complete success was attained. The Owens is the acme of machine development in the glass industry, because it entirely eliminates both the blower and presser. It requires merely a mechanic's supervision.

The following table shows the number of Owens machines introduced in each year from 1905 to 1910 inclusive:

1905.....	1	1908.....	36
1906.....	8	1909.....	49
1907.....	18	1910.....	65

These figures, however, understate the rapidity with which the Owens, or, as it is popularly designated, the "Automatic," has been introduced. The first of the machines had only six arms (each arm containing a receiving and a finishing mould), while the later forms have from eight to ten. Moreover the field of activity of the machine has been greatly enlarged so that now it makes beer and catsup bottles, milk and fruit jars, besides many other kinds of liquor bottles.

The "Automatic" first received attention from the Glass Bottle Blowers' Association at the convention of

1904. President Hayes then outlined a comprehensive plan for dealing with the machine. He strongly advised the union: "(1) to bring under the jurisdiction of the Association all bottle-makers, blown or machine, thus enabling us when necessary to further reduce the hours or divide the work; (2) to stop all legislation which would create a surplus of hand-blowers; (3) if hand-workers can not find work, to establish a three-shift system with a Saturday half-holiday, which will afford a wide employment even if it involves a sacrifice on the part of the membership in general; (4) not to undertake a strike against non-union factories because this will throw a large number of men out of work and imperil the chances of employment for our own members." There was, however, no legislative action taken on the subject other than the passage of a resolution conferring upon the president and the executive board discretionary power to deal with all kinds of machinery.

The possible effect of the "Automatic" was not fully realized until the convention of 1906. The President then appointed a special committee to consider the Owens machine. Local union No. 60 submitted for adoption the following resolution "Resolved that during the blast of 1906-07 no member of our Association be allowed to work for any firm that persists in said practices," (i. e., the use of the machine). That the Association recognized the folly of direct opposition is attested by its rejection of this resolution. This special committee concurred in the suggestions laid down previously by President Hayes, namely, organization of all classes of bottle makers, the prevention of a surplus of workmen, and the three-shift system. It furthermore advised the discussion of the subject at the meetings of local unions.

The Glass Bottle Blowers' Association was coming to realize that the position of the workmen had undergone radical changes. With the rise of the machine the Association could no longer assume the same position in



collective bargaining which it had formerly held. Hitherto labor had been the principal element in the cost of production and the union could enforce the concession of high wages and favorable working rules. The operation of the Owens machine was beyond union regulation and the possibility of its extension was increasing. The union manufacturers, who did not enjoy the benefits of the invention, were making requests of the Association that endangered the standards of its membership. Thus the position of the union was rendered defensive rather than progressive. The organization had to seek to preserve the interests of its membership even if its policy entailed a handicap upon union employers. In this connection various plans have been proposed or attempted for the practical solution of the machine problem:

(1) The working day should be divided into three divisions of 7 or 8 hours instead of the regular two shifts. The gradual adoption of this scheme would eliminate the evil of unemployment. This proposal at first met with opposition from the members because it meant a decrease in wages, but the President finally secured its endorsement. However, the real opposition has come from the employers who claim that the present system of manufacture is not adapted to such division of work. The experiments which have been made have been only partially successful.

(2) The union has attempted to curb the "Automatic" by subsidizing the Johnny Bull machine—a semi-automatic device. It has sought by establishing a low wage scale for this machine, which requires three skilled operators, to allow its promoters to compete successfully with the Owens and to secure a field for skilled labor. This special scale has created much dissatisfaction among hand-blowers. Special arrangements have also been made between the owners of other semi-automatic machines and the union by which the summer-stop has been abolished.

(3) There has been a noticeable tightening in the rules limiting the number of apprentices. The Association has endeavored to obtain a decrease in the number of apprentices so that there would be fewer young members to take the places of the older. This policy is illustrated in the increasing ratio of apprentices for machine work, and in the entire abolition of apprentices for the last two years.

(4) Certain other schemes such as the use of a union label, the establishment of co-operative factories and selling agencies, have been suggested as possible solutions of the machine problem. None of these ideas have, however, received the support of the union because of their slight promise of success.

One of the most serious conditions which the Glass Bottle Blowers' Association has to face is the continual demand for reductions of wages. The employers claim that the competition of the machine necessitates such reductions. The union has taken the position that the hand producers must produce statistical evidence of the extent of such influence on the market prices. The matter is then discussed by the wages committee which finally decides what shall be the proper concession. Great difficulty has arisen from the explicit orders given by the convention to allow no reduction, and this uncompromising position has created much discontent among the manufacturers.

The union has also felt the influence of the "Automatic" in demands for the abolition of the summer-stop. This benefit has long been enjoyed by the members, who are thereby permitted to discontinue their work during the months of July and August. Although the manufacturers have recently succeeded in obtaining its abolition for the machine department, the opposition to a like concession in the hand-blowing branches has up to the present proved too strong.

In summarizing the attitude of the Glass Bottle Blowers' Association toward the Owens machine, we may say that the union is perfectly aware of its powerlessness to control this factor, but is attempting to protect the interests of its members by offering compensatory advantages to the union employers who use hand blowers and semi-automatic machines. These concessions are intended to make it possible for union factories to compete, without seriously jeopardizing the working conditions and wages of the members.

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## THE INTRODUCTION OF THE PENITENTIARY SYSTEM IN MARYLAND

BY A. O. MULLEN

The Maryland Penitentiary was completed and opened for the reception of convicts in 1811. Penitentiaries had already been established in Pennsylvania, New York, Virginia, Massachusetts and Vermont. While there is no doubt that the successful operation of prisons in these states had some influence upon the legislators of Maryland in leading them to establish a penitentiary, the establishment of the system in Maryland was apparently due to an independent movement. It was probably revulsion of feeling from the severe criminal penalties of the colonial days which led in 1793 to the employment of criminals on the roads of Baltimore County and on the streets and basin of Baltimore Town. This system in 1811 was replaced by the penitentiary system.

In a report on the penitentiary system in the United States, prepared under a resolution of the "Society for the Prevention of Pauperism in the City of New York," in 1822 is to be found this paragraph: "The Penitentiary System in the United States was the offspring of this country and established on the broad principles of humanity. It was believed by its founders, that san-

guinary punishments were not the most subservient to the ends of criminal justice, and that a system of laws that would tend to give a moral dominion over the mind and bring it to a sense of its errors and turpitude, would prove more efficacious in preventing offences, than severe corporeal inflictions; that a system of laws which should prescribe confinement, hard labour, and moral discipline and instruction, would accomplish this purpose." In the same report Mr. Daniel Chipman, M. C. from Vermont makes the statement that "the penitentiary system was introduced into the United States when there was a rage for improvement."

But whatever may have been the dominating motives which finally resulted in the establishing of the Maryland Penitentiary; whether it was due to a revulsion of feeling at the brutality of some of the penalties, or to repugnance to seeing convicts at work on the roads, streets and in the basin, or to the desire to provide a way whereby they could be made to earn sufficient with which to maintain themselves while under duress. The sequence of events which led to the establishment of the Maryland Penitentiary is good evidence of the ideas which were uppermost in the minds of the legislators of those days.

On May 8, 1754, Governor Sharpe in his address at the opening of the Maryland legislature said: "The excessive Charge and Burthen this Country is at present subjected to, by the great Increase of Pensioners in several of our Counties, I believe, might be hinted at, as calling for, and capable of, a Remedy; if it be truly represented, that the Distribution of the great Sums, annually collected for the Relief of the Poor, as it is now made, instead of being an Encouragement to and Reward of Industry, proves too frequently an Incitement only to Debauchery and Idleness." Two days later in transmitting a copy of the address to Lord Baltimore, Governor Sharpe wrote that he intended to recommend



“the building of work houses in every county for the reception of vagrants and such as apply for relief which would in good measure oblige them to labor for their maintenance.”

Under date of December 10, 1754, Calvert wrote to Governor Sharpe as follows: “Of County Work Houses you note for vagrants. My Lord approves well of such a law, care being taken in the formation thereof to hinder that the persons employed make not the staple manufactures of Great Britain, from Produce of Maryland, as it will occasion a petition to parliament against such provincial manufacture. The mother country will not suffer prejudice by loss of supply to her colonies and by her traffic especially in cloth to foreign markets.”

Two things are noteworthy in this correspondence. First, that by having workhouses Governor Sharpe hoped to adjust matters so that paupers and vagrants would in part at least maintain themselves, and second, that at the very dawn of correctional productive labor there appeared the fear that its products might compete with the extra institutional product. At that time, however, it was the English manufacturer who viewed the movement with anxiety, while today the agitation against institutional labor is chiefly from the labor unions.

The suggestion of Governor Sharpe in 1754 seems to have borne fruit in 1766, for in that year the legislature authorized the building of workhouses and almshouses in Anne Arundel, Prince George's, Worcester, Frederick and Charles counties. Institutions of the same kind were authorized for other counties in the State from time to time. They were to be maintained by a tax not exceeding fifteen pounds of tobacco for three years by the poll on each and every one of the taxable inhabitants of the county in which they were located. The almshouse and workhouse parts were to be separate although they

might be in the same building. The administration of these institutions was vested in a board of five trustees whose tenure of office was for life or until they moved out of the county. Vacancies were to be filled by the remaining trustees from among the better sort of inhabitants of the county, but trustees so chosen were not to be blood relatives of the trustees who made the selection. The trustees were invested with the authority to make and ordain whatever laws, orders and rules would best subserve the purpose of relieving and setting the poor to work and for the punishing of vagrants, beggars, vagabonds and other offenders. They were also to buy sufficient beds, bedding, working tools, kitchen utensils, cows, horses and other necessities for the use and employment of the poor, the vagrants, etc. Accounts of all their transactions were to be kept which together with the vouchers, etc., were to be submitted to the justices of the several counties at the November term of court.

Two years later it was enacted by the legislature that the trustees were to meet annually and elect officers, the chief of whom was to be an overseer. This overseer was to keep an accurate list of all persons committed to his institution as well as accounts of all the transactions of the same, such as expenses attending its maintenance and support and money received from the sale of the produce of their labor; these accounts were to be submitted to the trustees four times a year. The overseer was to compel the poor, the vagabonds, etc., to work if they were able, and was to sell the product and apply the money received from the sale to their maintenance and support. There appears to have been no radical departure from this system for the next twenty-five years.

In 1793 we find the first step towards a centralization of delinquents. In that year the legislature bestowed upon the judges of the courts in Baltimore County the

power to use their discretion in passing sentence upon major offenders, who might be convicted of specified crimes. They might either inflict such penalties as the law had previously provided or might condemn the convicted persons to serve for any time in their discretion, not exceeding seven years in the case of free male persons, male servants or apprentices, or fourteen years in the case of slaves, on the public roads of Baltimore County, or in making, repairing, or cleaning the streets or basin of Baltimore Town.

It was also enacted in the same law, that the general court and every county court of the State, except the county court of Baltimore County, should have the same power to pass judgment in the same manner for the same crimes. If the justices wished to condemn the one convicted to serve and labor, the court before whom they were convicted was to value them. If the person convicted in the general court was a slave the valuation was to be paid to the owner by the treasurer of the western or eastern shore wherever convicted; if in a county court, the valuation was to be assessed in the county assessment, and paid to the owner by the collector thereof. If the person convicted was a free person, then the general court could order any such free person convicted in it, at the expense of the State, and if a county court, at the expense of the county, to be conveyed and delivered to the person or persons appointed to take care of criminals in Baltimore County. These persons were required to receive them and to do with them the same as with criminals convicted in Baltimore County. The courts outside of Baltimore County were however to pay £5 for every criminal so sent.

Free females, female servants or apprentices who were convicted of specified crimes in Baltimore County were to serve and labor in some place of confinement. The administration was to be of the same kind as for males except that the females were to be assigned daily tasks

in picking of oakum, cultivating or beating and hackling hemp or flax; manufacturing wool, hemp or flax; knitting, sewing, or other similar employment. Females from counties other than Baltimore County were to be confined in the workhouses of the respective counties, and the several courts were to make provisions and regulations for their employment.

This was the status of convict labor in Maryland in 1804, when the resolution was passed by the legislature to erect the Penitentiary. Indeed, no actual change took place until 1811, when the Penitentiary was completed and opened for the reception of criminals. After the Penitentiary was completed the courts sentenced convicted criminals to that institution. The working of convicts in public gradually disappeared as their terms expired, or they were transferred at their own request from the public roads, streets or basin to confinement in the Penitentiary.

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## THE EARLY HISTORY OF THE CIGARMAKERS' UNION

BY MARIE H. HOURWICH

In 1835, during the agitation for the ten-hour day, the cigarmakers of Philadelphia decided to organize for the purpose of securing a reduction in working hours. The following resolution was presented by a committee of cigarmakers and adopted on June 6, 1835:

“Resolved, that we organize in order to regulate the prices of work, so as to earn a sufficiency on the principle of 10 hours labor. . . . That we will support all strikes as far as practicable, to prevent oppression to journeymen and others, and aid in carrying the principles of reformation fully out. . . . That the present low wages hitherto received by the females engaged in segar making, is far below a fair compensation for



the labor rendered. . . . That we recommend them in a body to strike with us, and thereby make it a mutual interest with both parties to sustain each other in their rights."

No permanent organization appears, however, to have been in existence among the cigarmakers until the fifties, when the rapid industrial expansion developed among wage-workers a tendency toward organization, and unions began to spring up all over the country. Prior to the civil war slave labor entered into competition with free labor in the manufacture of cigars, and the abolition of slavery also gave an impetus to the organization of labor in the cigar trade.

In 1851 a cigarmakers' union was organized in the city of Baltimore. Baltimore was at that time the center of the trade, and the Baltimore union occupied a leading position in the development of trade unionism among the cigarmakers in the United States. Unions were soon formed in several other cities.

Although fairly successful in enforcing their regulations locally, the unions could not exercise control over the trade as a whole since there was no unity of organization. The advisability of forming a central body was evident from the earliest days.

In 1854 the cigarmakers of Troy, Syracuse, Rochester, Utica, Albany and Auburn decided to call a state convention with the objects (a) of establishing a uniform bill of prices in the State of New York and (b) of regulating the apprenticeship system. The convention was held in Syracuse, May 10-11, 1854, but no permanent organization was created. Nevertheless, a price list was drawn up and thereafter adhered to in various cities, and the employment of non-union labor was resisted in every possible way. In 1856 a state convention was held in Syracuse, N. Y., in which employers also took part. The aim was to equalize prices for labor throughout the state. It was proposed to make \$5.00 a thousand a uniform price for the state.

On June 21, 1864, a national convention was held in New York. The convention was attended by delegates from Pennsylvania, New York, New Jersey, Ohio, Connecticut, Massachusetts, Rhode Island and Michigan. It was believed that "the objects sought to be attained—the welfare of the cigarmakers as workingmen—can be better attained by being under one head." The national convention organized as the National Cigar Makers' Union, and later in 1867, when unions were organized in Canada, the name was changed to International Cigar Makers' Union.

The number of local unions as well as their membership grew rapidly. The convention of 1865 was attended by 24 delegates representing 21 unions with an aggregate membership of something above 1,000. The number of local unions, as well as their membership, fell off during the Civil War, but after the war it rose again. In 1865-66, 37 new unions were organized and in 1873 the Executive Board reported the existence of 84 unions. Between 1875 and 1877 the International union was in a critical condition. Trade was dull, and the unions could exercise little control. Many unions dissolved; of the 84 unions, which were in existence in 1873, only 50 were left in 1877 and those were reduced in numbers.

At the Rochester convention of 1877, 17 unions were represented with a membership of 1016. This was the low watermark reached by the International union since its organization. Thereafter, trade began to improve in some of the largest centers of the industry, giving an opportunity for an increase of wages. Two years later, at the Buffalo convention of 1879, the organization of 18 new unions with 1250 members was reported. The membership of the older unions grew in proportion.

The earliest cigar makers' unions were composed largely of foreign-born workmen. The influx of Germans was particularly strong, and they constituted a large proportion of the membership of many of the

unions. The number of Bohemians was also large; in February, 1873, 8,000 immigrants were reported in the cigarmaking industry in New York. At first many Bohemians who had a knowledge of the German language belonged to German unions. Later separate unions were organized; thus in 1876 a Bohemian union of 90 members was organized in New York. In 1877 the existence of a union of Spaniards and Cubans is recorded in Philadelphia.

The main object in the formation of the national union was the consolidation of the different organizations of the trade into one body: "to facilitate the thorough organization of the trade it represents for the mutual benefit and protection; to secure co-operation whenever it may be required; and to decide all differences that may arise between local unions." "The organization" was to "consist of delegates elected from unions composed of practical cigarmakers, that acknowledge the jurisdiction and authority of the national union."

With the organization of the National union a good deal of legislative power was shifted from the local unions to the national organization. The national union took upon itself the regulation of some important matters affecting the trade as a whole, and left to the local unions the supervision of purely local affairs. The powers of national and local unions were not, however, carefully distinguished until 1873 when the convention drew a clear line between local and national jurisdiction. Local unions were authorized to pass upon the qualifications of membership, and to fix dues and assessments. They also had power to frame regulations concerning the bill of prices and working hours. The jurisdiction of the national union was confined to matters of interest common to all local unions, as for instance the granting of traveling cards, and the benefit system. Its chief concern was to preserve the integrity

of the national organization and to settle all difficulties arising between the local unions.

Although as a rule local unions benefited by joining the national union we find instances when they did not care to come under its jurisdiction. Coming under the jurisdiction of the national union meant abiding by all its rules; some local unions, however, did not agree with all the principles the national union was endeavoring to enforce. The Baltimore union, which had played such an important part in the early history of the cigarmakers' union, did not for a long time join the national union, for the reason that it objected to the system of rolling and filler breaking. Similarly, the Cigarmakers' Protective Association of Cincinnati was opposed to female labor; whereas the constitution of the national union specifically provided that "no local union shall permit the rejection of an applicant on account of sex, color, or system of working."

In 1879 the national constitution was revised and amended. The new constitution contained many new features of vital importance, similar, it was claimed, to those in successful operation among the strongest trade unions. Theretofore the International Union had been a combination of local unions, very loosely connected. The new constitution placed them on an equal basis, with equal dues and initiation fee, and provided for a system of loans to members travelling in search of employment. The new constitution also provided for equalization of funds. Before this a member who had removed from its jurisdiction lost his right to its benefits. As a result the unions whose members left had grown in financial strength, and those that received new members by travelling cards had become weaker. The chief effect of equalization was that a member leaving the jurisdiction of a local union did not lose his share of benefits.



Finally, a very important feature of the new constitution was the democratization of the government of the national union by extending legislative power to the individual members. Theretofore, local unions had had the privilege of adopting or rejecting the constitution as a whole; the new constitution gave an opportunity to every local union to vote separately on every article.

The organization of the national union according to the plan suggested by the new constitution proved very successful. The year 1879-1880 showed a remarkable growth, both in the number of unions and in membership.

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## THE INFLUENCE OF LABOR UNIONS UPON LEGISLATION IN MARYLAND

BY H. WIRT STEELE

Almost a half century elapsed from the time of the earliest organization of labor in Maryland before any definite effort was made by such organizations to secure remedial legislation. The earliest organizations of laborers were along trade lines and their activities were confined to efforts for the improvement of conditions in their respective trades. The movement for legislative action which was at the time being felt throughout the country began to manifest itself in Maryland in the late seventies of the last century. It took form in the organization of the Knights of Labor. The first local assembly of the Knights in Baltimore was organized in May, 1878. The first district assembly was formed in 1880 and comprised five locals. It had jurisdiction over all of Maryland except the mining counties of Allegany and Garrett. Most of the activities of this order were carried on secretly, and even its existence was not publicly admitted until 1881. A building league was established within its membership in 1883, that the order

might have a public excuse for existence, and in order that its main work might be carried on secretly. At a later date this building league became a branch of the American Federation of Labor.

By 1883 the strength of the Knights of Labor was becoming considerable, and we begin to find frequent mention in the newspapers of the "labor vote." The Knights were quietly pressing their claims for political recognition and for relief from alleged abuses, and at the session of the General Assembly in 1884 the passage of a bill creating a State Bureau of Labor Statistics was secured. From 1884 the order experienced a remarkable growth, but it does not appear to have had much political influence. It lacked definiteness of purpose and this militated against its efficiency as an agency for securing legislation. Many of the large mixed assemblies which had come into existence and flourished for a number of years broke up into trade assemblies.

There was, however, a group of able men in the Knights of Labor who sought to stop this disintegrating process and to uphold the original ideals of the Order. The district assembly maintained a monthly lecture course and also a school, which all officers of local assemblies were compelled to attend. At such meetings there were discussions and addresses concerning such subjects as "The Eight Hour Day," "Co-operation," "Rights of Man," and "Effects of Machinery." With the development of this side of their work, the Knights began to exert more political influence. They succeeded in having a number of bills introduced in the legislature, but without definite results. The more noteworthy of these bills provided for a Saturday half-holiday and for woman's suffrage. One bill forbade the appropriation of state money for the militia; another prohibited the hiring out of convict labor; and still another withdrew state aid in collecting private debts. The only successful piece of legislation with which the Knights ap-

pear to have been definitely identified at this time was the Australian Ballot Law, which was mangled in the legislature by the exemption of seven counties from its operation.

In 1886, the State Labor Statistician noted that there were local assemblies of the Knights of Labor in Garrett, Allegany, Washington, Howard, Harford, Baltimore, Cecil, Frederick, and Anne Arundel counties, as well as Baltimore city. He gives the number of members that year as 16,000 with 11,000 more men included in trade unions. There was, probably, considerable duplication in these estimates. The friction which arose between the Knights and the trade unions in that year was responsible for a great weakening in the strength of organized labor.

By 1887, both the Knights and the trade unions had begun to register complaints of abuses and suggestions for legislative remedies with the Bureau of Industrial Statistics. Most of these affected specific trades or crafts, rather than labor as a whole. The coopers, organized as a Trade Assembly of the Knights of Labor, complained that the practice of using old barrels for the packing of new flour had grown to be a menace to their trade and an injury to the public health. The association of steam engineers made a plea for a law compelling the employment of licensed engineers. The Knights of Labor at Havre de Grace, composed of railroad employes, duckers, and fishermen, asked for changes in the laws governing hunting and fishing in the waters of Kent and Queen Anne counties. The horseshoers made their first appeal through the Bureau for a law requiring the examination and licensing of all journeymen working at their trade. This law was later passed. The organized musicians represented that their profession was seriously injured by strolling bands and requested the imposition of a license fee. The pattern makers asked for the enactment of laws requiring the weekly

payment of wages and an eight-hour day, suggesting as the first step towards the latter that the law make fifty-three hours a legal week's work—that is, nine hours for five days and eight hours for Saturday. Employes of the Baltimore and Ohio Railroad Company, although not organized either as a trade or as an assembly of the Knights of Labor, registered a protest through the Bureau against the Baltimore and Ohio Employes' Relief Association, which had been established by the company under an act of the legislature of 1882 and had been gradually extended to embrace insurance, pension, savings, library, and building features. They maintained that although no such provision was contained in its constitution and by-laws, in practice membership in the association had become compulsory.

The ill feeling existing between the Knights of Labor and the trade unions became acute in 1892, and through the influence of the latter the law creating the Bureau of Industrial Statistics was repealed and a new law creating a State Bureau of Statistics and Information was passed. According to the subsequent reports of the Chief of the Bureau, however, the trade unions failed to co-operate with him, while the Knights of Labor responded to his requests for information.

During the business depression of 1893, 1894, and 1895 the strength of organized labor suffered a serious decline, particularly in certain trades. Baltimore Bricklayers' Union No. 1, organized in 1864, had up to the time of the depression a strong membership. A decided falling off in numbers roused the union to demand certain reforms. The union was particularly interested in securing the passage of an employers' liability act which would give the craft better protection in the matter of injury from accidents. It was also desirous of securing certain amendments to the mechanics lien law. The carpenters, granite cutters, block pavers, stone cutters, and the stone masons were in favor of the same meas-



ures. The furniture workers declared in favor of compulsory arbitration in labor disputes and a compulsory education law. The cigarmakers favored a compulsory education law; they were also working for a law to protect their label. The boot and shoemakers made an effort in 1896 to secure the abolition of the contract labor system. The printers, representing the oldest organization of labor in the State, apparently took little or no interest in labor legislation. The bakers secured the passage by the Assembly in 1894 of the sanitary bake-shop inspection law for Baltimore city.

Following a notable strike, in which practically all of the miners in the George's Creek region of Western Maryland were involved, the Chief of the Bureau of Statistics and Information proposed the establishment of a court of arbitration to consist of three persons; one to be of the employing class, one of the employee class, and the third to be the Chief Judge of the Supreme Court of Baltimore city. This board was to have power to interfere in serious strikes, on application of either party interested. This proposal was supported by about three-fourths of the labor organizations of the State. It was not immediately successful, but the legislature did eventually provide that the Bureau of Statistics itself should organize a court of arbitration in any important labor dispute.

The Chief of the Bureau of Statistics and Information in several successive reports following that of 1896 complained repeatedly of his inability to secure reliable information from or about many labor organizations in the State. Numerically, organized labor was stronger by 1903 than it had been at any time since 1886. In 1903 the barbers in Baltimore effected an organization for the express purpose of securing legislation affecting their trade. They prepared a bill, based on the rules of the Board of Health of New York city, and made a well directed effort to secure public sympathy for it. They

were successful in securing its passage but the law was soon declared unconstitutional. The effect of the agitation and publicity connected with this campaign, however, was to close many of the worst barber shops and to better conditions in many others.

A State Federation of Labor was organized in 1906 and adopted as its program the platform of the Progressive Labor Party, which had been organized in Baltimore a short time prior to the meeting. This platform called for:

- 1—A legal work day of not more than eight hours.
- 2—A child labor law.
- 3—A compulsory education law.
- 4—A law requiring sanitary inspection of all mines, tunnels, workshops, and dwellings.
- 5—Ownership in operation of municipal and all public utilities.
- 6—A law, national and state, prohibiting the use of the injunction process in labor disputes.
- 7—The abolition of the contract system in all public work.
- 8—A law prohibiting the introduction of prison-made goods into this state from other states and requiring the stamping of those made in this state as prison made.
- 9—Extension of the provision of the Employers' Liability Law, so as to include all classes of employment.
- 10—Ballot reform which will prevent corruption, insure a fair count and punish bribe givers and bribe takers.
- 11—Adoption of the system of law-making known as direct legislation through initiative and referendum and the nomination and election of United States senators by direct vote of the people.
- 12—A special street car fare rate, reducing the fare during the hours in the morning and afternoon when working people are going and returning from work.

Of this formidable program, no part has since been enacted into law except the second and third demands, and these only partially. The child labor law does not apply to the counties of the State during the summer season, and the compulsory education law applies only to Baltimore city and Allegany county, and no attempt is being made to enforce it in the latter community.

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## THE INITIATION AND CONTROL OF STRIKES IN THE INTERNATIONAL CIGAR MAKERS' UNION

BY GEORGE M. JANES

The methods of initiating and controlling strikes in the Cigar Makers' International Union since its organization in 1864 have been marked by a continuous development in the direction of central authority. At the beginning many strikes were financed by small assessments pieced out with voluntary contributions, but on account of the limited aid which could be given many of them were unsuccessful. Due bills were issued by some local unions engaged in strikes and these were afterwards paid by the International Union. Two large and protracted strikes and lockouts which took place between 1869 and 1870 in New York City and Cincinnati, necessitating heavy assessments, endangered the International Union, which had then reached its greatest numerical growth preceding the industrial panic of 1873. In 1870 the organization had seven strikes, of which only two were successful. The expenditures amounted to \$43,017. The two large lockouts brought the International Union into financial embarrassment, and it was unable to fulfill its obligations in the payment of the regular strike benefits. Worthless due bills were issued to members in lieu of cash. This was one of the causes that led to the dissolution of local unions and to the suspension of a large number of members. In 1869 the membership of the International Union was 5,800; in 1873 it had decreased to 3,771. At the Detroit convention in 1873 an article providing for an arbitration committee was inserted in the constitution. The fact that from 1871 to 1875 out of 78 strikes only 12 had been successful, led President George Hurst to say in 1876: "The disposition to strike on almost every occa-

sion has produced the greatest demoralization to our whole organization."

Mr. Adolph Strasser was elected president of the International Union in 1877 and was succeeded by Mr. George W. Perkins in 1892 and much of the growth and success of the International has come through the dominant personalities of these two men. President Strasser advocated restriction of strikes, the perfection of the organization, and the accumulation of a reserve fund. The constitution was thoroughly revised in 1879 and many of the principles then adopted are found in the present one. In 1884 an amendment was passed providing for the abandonment of a strike if a successful outcome was unlikely. In spite of this, no success accompanied the effort to end a strike in Cincinnati in 1884-85 because the local committee flooded the country with circulars containing misleading statements of fact. The Cincinnati strike cost the International Union about two hundred and twenty-five thousand dollars. During 1884, \$143,547.36 were expended for strike benefits at a cost of \$12.62 per member, while the total cost per member for all benefits including strikes was \$15.74. This led to the embodiment of an arbitration law in the constitution at the convention of 1885 and provisions for making it more effective in 1886. In 1887 President Strasser said in his report: "Our unions have gradually recognized the necessity of discipline and the enforcement of our laws governing the management of strikes. Independent strikes have become a matter of the past not to be revived or to be tolerated again." Various amendments concerning strikes were passed at the conventions of 1888, 1890, 1892 and 1893, but the entire constitution was put into substantially the form it has today at the Detroit convention in 1896.

The moral and pecuniary support of the International Union is given only when the laws concerning strikes and lockouts have been complied with. The local union having a grievance must furnish a full and official statement



of such difficulty signed by three officers to the International President, who shall submit the same to the other officers of the Executive Board, and if after a full investigation the same is approved a circular is sent to the local unions ordering them to render assistance. In localities where more than one union exists action must be taken jointly and a majority of votes cast must decide; the application for strike or lockout must be signed by the joint advisory board and three officers of the union. Application to strike for an increase must state price paid and how much demanded, or if against a reduction, the prices paid and the amount of the reduction. Conditions as to number of members employed and unemployed, the length of time organized, and the number of members in the union when the application was made must be reported. Applications for strike or lockout must be read at a regular or special meeting of the union making application, and the union must report both the affirmative and the negative votes on all questions of strike. False statements in application by a local union are punishable by a fine of \$25 to be remitted to the International Union. A local union can appeal within fifteen days after an adverse decision has been rendered by the Executive Board to a general vote of all the unions. But every difficulty involving more than 25 members must be submitted at once by the International President to a vote of all local unions. A two-thirds majority of all votes cast is necessary to make a difficulty legal. The statement to the local unions must give the number of men already on strike in other localities and the condition of the funds per capita in addition to the statement of the local union wishing to strike. Three months must elapse after a rejection of a strike application before an application appertaining to the same case can be made. The vote of local unions on difficulties is in proportion to their membership: one vote from 7 to 50 members; two votes from 50 to 100 members, or fraction of not less than

75; three votes from 100 to 200, or fraction of not less than 160; and one additional vote for every 100 more. No votes on questions of strike, local or otherwise, not taken by secret ballot can be counted.

Strikes are regarded, however, as a last resort when all efforts for amicable settlement have been exhausted. The local committee, the Joint Advisory Board in places where more than one union holds a charter, the Executive Board of the International Union when a lockout is threatened, and, finally, a special committee of one or two members of the International Union appointed by the Executive Board to arbitrate in conjunction with committee of the local union—provide the means for settlement. Strikes are also conditioned as to season, for no strike can be approved or sustained by the International Union for an increase in wages between the first day of December and the first day of April of any year, except in the States of California, Virginia, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oregon, and Washington. The no-strike season in the States named is from the first day of April to the first day of September of any year. This rule, however, does not preclude strikes against reduction of wages, or the truck system, or against the introduction of tenement-house work.

The International agent or representative, who is appointed by the International President whenever there is a strike or lockout involving more than fifty members in contemplation, represents the interests of the International Union. He attends all meetings of the committee having the strike or lockout in charge, has power, when directed, to examine the books and papers of the union, and reports weekly or oftener to the International President and Executive Board. Unions refusing or not permitting the agent to perform these duties may have the benefits due them withheld by the International President until their compliance is assured. An agent may be

displaced by another one by the International President or Executive Board.

The assistance granted by the International Union begins on the day when the difficulty is approved by the proper authorities and is as follows: for the first sixteen weeks, \$5 per week, and \$3 per week until the strike or lockout shall have terminated. A striker securing work and being discharged within fourteen days is entitled to his further benefit, but not if he is discharged after working more than fourteen days. A member to receive strike benefit must be in good standing for at least three months. Members discharged for carrying out orders for their union receive the same assistance as strikers. A member prosecuted or arrested for carrying out the orders of the local union, if such order is not in violation of the International constitution, has such expenses paid by the International Union. A lockout when resistance to the same has been approved by the International Union is treated the same as a strike, but the benefit begins from the day the application has been mailed. No member or union is considered on strike unless said strike has been approved by the proper authorities of the International Union; this includes a reduction in wages. A complete weekly report must be sent to the International President by the secretary of any union on strike, signed by the president and full strike committee, itemizing expenditures, and reporting such other facts as may be provided for in the blanks furnished. Failure to comply may result at the discretion of the International President after due notification in the withdrawal of further strike aid. A local union directed by the Executive Board to forward money to another local union and not complying within five days from date of said notice is subject to suspension. Unions out on an authorized strike have power to reject all traveling cards except those of sick members.

An example of the settlement of a strike by arbitration is afforded by the Boston strike of 1906 which lasted three

weeks and was settled through Messrs. Adolph Strasser and Willard S. Best, representatives of the International Union, in spite of much opposition by the local union. An appeal, however, to the votes of all the local unions as to the terms of the settlement was not taken. Another instance is where the committee went to the employer seventeen times before a settlement was finally effected. The duties of agents and arbitrators are defined in the constitution in a general way and much is left to their judgment. As stated editorially in the Cigar Makers' Official Journal: "It does not matter whether the agent or arbitrator agrees with the local strike committee or not. If capable and experienced he is supposed to lead and not to follow. It's his duty to stand by the International Union regardless of consequences; to protect the funds against waste and extravagance, and to maintain its reputation for a 'square deal' with the union manufacturer."

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## JURISDICTIONAL DISPUTES BETWEEN THE PLUMBERS AND STEAMFITTERS

BY N. R. WHITNEY

The United Association of Plumbers, formed by the consolidation of a small number of previously existing local unions, was organized in Washington, D. C., October 11, 1889. As its title indicates, it was intended to embrace workmen in the trades of plumbing, steam-fitting and gas fitting, although the membership throughout its history has been chiefly made up of plumbers. An effort was made to bring about an amalgamation or establish a working agreement with the National Association of Steamfitters, which had been organized in New York, June, 1888, with a membership confined to steamfitters; but this effort failed, since the Steamfitters insisted on maintaining the autonomy of their union.



The differences between the two unions first came before the American Federation of Labor in 1898, when the Steamfitters applied to the Federation for a charter. This was opposed by the Plumbers on the ground that they had jurisdiction over the work claimed by the applicants. A committee appointed by the Federation recommended that a provisional charter be granted the Steamfitters under the following conditions,—that the Plumbers might retain their steamfitter members without interference from the National Association; that each organization should have complete autonomy, and that in towns where there was an insufficient number of fitters to form a local union of steamfitters, they might become members of the local union of Plumbers.

About this time, the breach between the two unions was widened by a controversy concerning jurisdiction over sprinkler fitters. In New York a large number of men were engaged in installing sprinkler piping for fire protection. The Steamfitters decided that, since they had jurisdiction over pipe fitting they would take sprinkler fitters into membership. The Plumbers also claimed jurisdiction over this work, and they also took sprinkler fitters into membership wherever possible.

The marking out of a practicable line of demarcation between the trades of plumbing and that of steamfitting is by no means an insurmountable difficulty. These differences might be minimized by the adoption of a working agreement. The real ground of the contention is the demand of the Steamfitters for trade autonomy, on the ground that steamfitting is an entirely separate and distinct trade, whereas the Plumbers argue that the interests of the whole pipe-fitting industry are identical and therefore should be represented by a single association.

In their struggle each organization seeks to impede the progress of the other by extending its jurisdiction over as large a field as is possible. By 1904, the United Association of Plumbers had enlarged its claims by add-

ing to its previous title the words "sprinkler fitters and their helpers and general pipe fitters;" while the 1906 constitution asserts jurisdiction over "all branches of the pipe-fitting industry." The Steamfitters claim jurisdiction over "steam, sprinkler, hot water and all power pipe fitting."

The efforts to bring about the settlement of the bounds of jurisdiction between the two unions have covered a period of fifteen or twenty years. The methods discussed have been amalgamation, the establishment of working agreements including minute specifications of the jurisdiction of each craft, a national interchange and recognition of cards, and a judicial tribunal composed of members from each society and one from the American Federation of Labor to hear and adjust all disputes. The Steamfitters refuse to consider amalgamation; the Plumbers want no fixing of jurisdiction except such as they themselves may determine; and the judicial tribunal fails because it lacks the power to enforce its decisions.

These disputes not only injure the unions involved and the labor movement in general, but they have frequently resulted in tying up large contracts, throwing many men out of employment, and causing great loss to employers who were observing union rules. During the erection of the Baltimore American Building, for example, the contractor for the plumbing had a shop in which he employed steamfitters belonging to the Steamfitters' National Association and non-union plumbers. The local plumbers' union, knowing that he could not do the work without using some of their men, and wishing to aid their own steamfitter members and, at the same time, to strike a blow to the members of the rival association, refused to allow any members of their union to work for the contractor until he discharged his International Association steamfitters and replaced them with United Association steamfitters. The contractor

had to submit. But the fight had only begun. The contractor for the steamfitting on the building was employing International Association steamfitters, and these now refused to work with the United Association plumbers. The gas fitters, electricians, and painters joined them in a sympathetic strike and brought almost the whole work to a standstill. The employers who were not at fault lost heavily by the delay which lasted for several weeks. Finally the Plumbers were forced to withdraw their objections to the International Association steamfitters in the contractor's shop and they were reinstated.

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## THE BEGINNING OF THE BALTIMORE STRAW HAT INDUSTRY

BY J. LUTHER MARTIN

In the fall of 1865, G. O. Wilson, who was born January 27, 1831, in Easton, Bristol county, Massachusetts, the heart of the "split straw" district, and who was then living in Foxboro, Norfolk county, Massachusetts, made an agreement with William C. Perry, who was in charge of the mechanical department of the Union Straw Works of Foxboro, Massachusetts, and Albert Sumner, a hat presser of the same works, to go into the manufacturing of straw hats in some place outside of Massachusetts. With this in view Mr. Wilson made a tour of the country, going south to Baltimore and as far west as the Mississippi River.

They finally decided that Baltimore was the best place in which to start their enterprise. It was believed that many young ladies who had been forced by the Civil War to go to Baltimore in search of employment would furnish an excellent labor supply. They also found that the firm of Armstrong, Cator & Co., wholesale milliners of that city, had on hand a large stock of ladies straw goods of

undesirable patterns which they wished to have remade. This accumulation of old styles was also due to the Civil War, as that firm's business was chiefly with the Southern States. At this time a few cap makers in Baltimore did some work in the way of rebleaching and repressing the fine Tuscan and Leghorn hats; but no straw hats were made there.

In February, 1866, G. O. Wilson, Albert Sumner, and William C. Perry began business in Brook's Old School, a building which had been used as a seminary for young ladies, located to the north of Lexington street and west of Charles street. Mr. Sumner remained only a few months, and the firm name became Wilson & Perry. They brought with them from Foxboro, Mass., twenty operators—men and women. Their first work was to alter the old stock of Armstrong, Cator & Co. They took the bonnets, ripped them up, bleached the braid, sewed it into proper shapes, sized, bleached, blocked, pressed and wired them, just as they would have treated entirely new braid. Armstrong, Cator & Co. could afford to have this done because straw goods were very expensive at that time. In the fall of 1866, Wilson & Perry employed sixty young ladies to learn the business, and in the spring of 1867 they began to manufacture ladies' hats from the white, colored, and fancy braids, which were imported from Italy, England, France and Germany.

As early as 1850 R. Q. Taylor, a retail hat dealer, had introduced the "Mackinaw" hat in Baltimore. He was probably the first to call them "The Mackinaw Hat," a name probably selected to distinguish them from a coarse hat made in East Canada. These hats were roughly made from wheat straw made in Canada and Michigan. They were made by home workers among the French Canadians. Mr. Taylor took the rough article, shaped it a little and put a band upon it. In 1868, Cole, Brigham & Co., fur hat manufacturers and jobbers, employed Wilson & Perry to size, block, press and trim for them some shapes of



Mackinaw straw. In 1868 or 1869, Mr. Taylor also employed Wilson & Perry to shape Mackinaws for him. In 1870, Mr. Taylor, as he could not get the shapes, bought the braid and began to manufacture his own shapes. R. Q. Taylor stopped manufacturing the "Mackinaw" in 1882, when hats made from Japanese braid were introduced. Mr. William Brigham, in his little book "Baltimore Hats, Past and Present," says that Mr. Taylor sold 9,000 Mackinaw hats over his own counter in 1872 and 1873, and "Taylor's Mackinaw" was sold everywhere.

In 1871 Mr. Wilson made a trip to Detroit and bought the Mackinaw braid which he made into men's hats. It was never used for ladies' hats. It was a beautiful golden straw with a brilliant enamel, but it was rather heavy. The entire output of this article, made by Wilson & Perry, was handled by Cole, Brigham & Co.

When Wilson and Perry left Foxboro, Mass. to begin business in Baltimore, the Union Straw Works of that place agreed to furnish them with styles, but in 1870 they refused to do this any longer and the Baltimore firm was thrown upon its own resources. Forced to get up their own designs, they soon became the leaders of style in men's goods, and even the New York haberdashers advertised that they sold Baltimore hats. From this time on Baltimore has been the center of the manufacture of men's straw hats.

In 1872 Mr. Wilson found a Canton or China braid, which resembled the Mackinaw braid. The Mackinaw braid was scarce, expensive, and owing to its enamel it could not be made upon the machine. The Canton braid was much cheaper and could be worked upon the machine. It could, therefore, be sold at a much lower price. Until the introduction of the Canton braid, the Mackinaw was the only braid in this country used in men's dress hats. The Mackinaw was only made into one shape, while the Canton braid was made into various shapes.

In 1873 the firm of Wilson & Perry employed about a hundred workmen and the output for the year was upwards of \$80,000. During this year the sewing machine for sewing braid was introduced. The machines had been in use several years in the North, but had never been introduced in Baltimore, because the Baltimore work was of a high grade upon ladies' goods, and it could not be used with the Mackinaw braid, as it broke the brilliant enamel which had made that braid famous.

In 1875, Wilson & Perry moved into new quarters, 104 West Lexington street, where they had one and a half acres of floor space.

In the same year Isaac H. Frances and James F. Sumner, employes of Wilson & Perry, began to manufacture hats on their own account. Mr. William T. Brigham, of the firm of Cole, Brigham & Co., became a member of the firm of Frances, Sumner & Co. in 1876 and Mr. R. D. Hopkins was admitted to the firm in 1880. Messrs. Frances and Sumner at the same time were taken into the firm of Brigham, Hopkins & Co., fur hat manufacturers. These firms were dissolved in 1887 and a new firm combining the two and trading as Brigham, Hopkins & Co., was formed.

In 1882 Mr. Wilson came across a sample of Japanese braid very much like the Mackinaw, and it soon supplanted that braid. It was lighter in weight; the plait was finer and more even, and the color was superior. Mr. Wilson contracted with the agent for the Japanese braid to take the whole output for 1882. It amounted to \$5,000. In 1883, he again controlled the supply although it now amounted to \$20,000. The following year he had the makers change the plait and again bought the entire output. After 1883 other manufacturers began to use the Japanese braid.

At this time the output of Wilson & Perry was \$250,000 annually. In 1887 Messrs. M. Frank and J. D. Horner were taken into the firm, and they traded as Wilson,

Frank & Horner. They built a warehouse on Liberty street, north of Lexington street, and began to do a jobbing business in connection with their manufacturing business. Mr. Wilson bought out Messrs. Frank and Horner in 1892, and continued alone until 1892 when he sold the business to Horner & Miller.

In 1878 M. S. Levy, a cap maker, commenced buying straw hats and finishing and trimming them. In 1881 he began the manufacture of straw hats. In 1883 he took his two sons into the firm. They are now the largest manufacturers of straw hats in Baltimore.

In 1880 William Fales and James M. Hopkins began to manufacture straw hats. In 1883 Louis Oudesluys bought out J. M. Hopkins. In 1885 S. C. Townsend and John M. Grace entered the firm and the firm name was changed to Fales, Oudesluys & Co. This firm was dissolved in 1887 and a new firm—Townsend, Grace & Co.—was organized. This firm is still in existence.

Mr. William Brigham states in "Baltimore Hats, Past and Present," that in 1890 there were eight straw hat establishments in Baltimore, and that they employed 1,100 hands and had an annual output of \$1,000,000.

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## TRADE UNION CO-OPERATION WITH ORGANIZED CHARITIES IN BALTIMORE

BY C. C. ROHR

Active co-operation between the Baltimore trade unions and local charities is chiefly of two kinds, viz., annual cash contributions to the charities' funds and the giving of material and other forms of relief to families of distressed members to which the attention of the union has been called by the agents of the charities. Much relief is also given without the intervention of any person. Indeed, union officers are unanimous in

declaring that there is never any necessity for a union man's family to apply for aid outside his local union. The records of the various local charities show, however, that they have dealt with a number of "union" cases.

The following are typical instances:

A tailor, a member of the Baltimore local of the United Garment Workers of America, applied to the Federated Hebrew Charities for assistance. No material aid was given him, but his union was communicated with. They promptly provided sufficient funds. Frequent visits were made to the family by the charity worker, who always found them amply supplied. This relief was continued until the man was again employed, and the case ended.

A former member of the Baltimore Typographical Union No. 100 applied to the Northeastern District of the Federated Charities. He had lost his membership through intemperance and failure to pay his dues. The union refused to assist financially but was finally persuaded to aid in securing employment for him. He reformed and worked steadily at the job secured for him and was finally readmitted to membership in the union when the Federated Charities paid up his arrears. The union has since secured steady employment for him and he has retained his standing.

The Henry Watson Children's Aid Society has the record of a case wherein a woman with six small children was deserted by the husband and father who was affiliated with the local glassblowers' union. They were in a deplorable condition as the result of his neglect and brutality, and practically starving. The secretary of the union was appealed to by the Children's Aid Society to locate the man and he immediately set to work to do so. Later developments, however, revealed that for moral reasons it would be inadvisable to reunite them and the union gave up the search. Their activity did not cease with this, however, but a liberal collection



was taken among his former associates and the family's debts were liquidated and treatment in a hospital for the wife and two children was provided. Later a purse was made up by the same union to secure transportation of the family to another city where relatives were able to care for them. A committee from the union even packed and shipped the household effects.

A very complete union case was that of a member of the local Commercial Telegraphers' Association. Soon after the strike was declared in August, 1907, he applied to one of the district offices of the Federated Charities for assistance. At the time of his application for aid the local union had no strike fund and could not help financially. They succeeded in securing employment for him with a railroad company. He soon lost this job and the charitable organization was again obliged to give pecuniary help. The union again co-operated by securing another place for him. By the time he had lost this new position a strike fund had been collected and the union was able to aid him. A total of one hundred and eleven dollars was paid him by the local union besides much "time on the wire." At the close of the strike, the case was dismissed, there being no further need of any kind of help from the Federated Charities.

The following cases have also been taken from the records of the Federated Charities: The family of a boilermaker, a member of the local union, was found in destitute circumstances, having been deserted by the husband. He was apprehended on a warrant for non-support and ordered by the court to pay five dollars weekly to his family's support. He made the payments regularly for awhile and then disappeared. The man was soon located in a nearby city and compelled under a threat from the State's Attorney to resume his payments. These continued for sometime when they again ceased. This time the delinquent was located in a distant southern town. A letter from the State's At-

torney was instrumental in causing a second renewal of the payments. He finally disappeared and all efforts to locate him by the society proved fruitless. The union was then appealed to. The local secretary communicated with nearby locals and the general council without success. Suddenly, however, the payments were again resumed through his sister. Up to this time he has not been definitely located. No card has been issued in his name and his membership in the local union has lapsed. The local secretary is under the impression that he is employed as a non-union boiler worker inasmuch as he is an expert workman and that he has been communicated with by a near relative who is also a member of the local union.

In the case of a sheet metal worker, the local union found employment for him even though he was not in good repute and cheerfully co-operated in handling the case.

A pending case is that of an iron molder, a member of local No. 94. His case was reported by a teacher in one of the public schools. At that time no money was needed, as he was regularly employed. Since then a strike has been declared and the Society has been obliged at times to supplement the strike benefits which he received. The agent of the union has promised to increase the benefit so that further aid will be unnecessary.

Actual cash contributions are made annually by the Cigarmakers, Bookbinders, Horseshoers, Potters and Upholsterers, to the Maryland Association for the Prevention and Relief of Tuberculosis, and by the Typographical, Bricklayers and Masons and Electrical Workers to the Federated Charities.

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## STUDIES IN TRADE UNIONISM

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For several years the Economic Seminary of the Johns Hopkins University has been engaged in investigating certain phases of American trade unionism. Some results of this inquiry have been published as follows:

- The Finances of American Trade Unions.** By A. M. Sakolski. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)
- National Labor Federations in the United States.** By William Kirk. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)
- Apprenticeship in American Trade Unions.** By James M. Motley. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)
- Beneficiary Features of American Trade Unions.** By James B. Kennedy. (Paper) 50c. (The Johns Hopkins Press, Baltimore, Md.)
- The Trade-Union Label.** By Ernest R. Spedden. (Paper) 50c., (Cloth) \$1.00. (The Johns Hopkins Press, Baltimore, Md.)
- Bibliography of American Trade-Union Publications.** Second Edition. Edited by George E. Barnett. (Paper) 75c. (The Johns Hopkins Press, Baltimore, Md.)
- Studies in American Trade Unionism.** Edited by J. H. Hollander and G. E. Barnett. (Cloth) \$2.75. (Henry Holt & Co., New York.)
- The Printers: A Study in American Trade Unionism.** By George E. Barnett. (Paper) \$1.50, (Cloth) \$2.00. (American Economic Association, Cambridge, Mass.)
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## A REPRINT OF ECONOMIC TRACTS

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The Johns Hopkins Press invites subscriptions to a reprint of four important economic essays of the eighteenth century, to be issued consecutively under the editorial direction of Professor Hollander:—

**The Querist**, containing several queries, proposed to the consideration of the public. Parts I, II, III. By George Berkeley. Dublin, 1735-37. (Ready.)

**An Essay on the Governing Causes of the Natural Rate of Interest**; wherein the sentiments of Sir William Petty and Mr. Locke, on that head, are considered. By Joseph Massie. London, 1750. (In press.)

**Money answers all Things**: or an essay to make money sufficiently plentiful amongst all ranks of people, and increase our foreign and domestic trade. By Jacob Vanderlint. London, 1734.

**An Essay on Ways and Means for raising Money for the support of the present war, without increasing the public debts**. By Francis Fauquier. London, 1756.

Each tract will be supplied by the editor with a brief introduction and with text annotations where indispensable. The general appearance of the title-page will be preserved, and the original pagination will be indicated.

The edition will be limited to five hundred copies. With a view to serving the largest student usefulness, the subscription for the entire series of four tracts has been fixed at the net price of Two Dollars.

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Of the tracts heretofore reprinted, a limited number can yet be obtained, as follows. As the editions approach exhaustion, the prices indicated are likely to be increased without notice:—

**Asgill**, "Several Assertions Proved." London, 1696. Price, 50 cents.

**Barbon**, "A Discourse of Trade." London, 1690. Price, 50 cents.

**Fortrey**, "England's Interest Considered." Cambridge, 1663. Price, 50 cents.

**Longe**, "A Refutation of the Wage-Fund Theory." London, 1866. Price, 75 cents.

**Malthus**, "An Inquiry into the Nature and Progress of Rent," London, 1815. Price, 75 cents.

**North**, "Discourses upon Trade." London, 1691. Price, 50 cents.

**Ricardo**, "Three Letters on 'The Price of Gold,'" London, 1809. Price, 75 cents.

**West**, "Essay on the Application of Capital to Land." London, 1815. Price, 75 cents.

Subscriptions and orders should be sent to

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## CURRENT NOTES

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University lectures have recently been given in McCoy Hall, as follows:

ERNST LUDWIG FREIHERR VON WOLZOGEN, novelist and dramatist, on "Das deutsche Theater der Gegenwart," January 17.

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DR. ALBERT VON LE COQ, traveller and archaeologist, two illustrated lectures on "Travels and Explorations in Chinese Turkestan," February 28 and March 2.

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Professor PAUL SHOREY, of the University of Chicago, on "Athens fin de Siècle," March 14.

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Professor GEORGE W. RITCHEY, of Pasadena, Cal., on "Recent Celestial Photography with the sixty-inch Reflecting Telescope of the Mt. Wilson Solar Observatory," March 17 (with lantern slides).

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The following lectures are announced for McCoy Hall:

Professor JOHN BASSETT MOORE, of Columbia University, four lectures, on the James Schouler Foundation, on "Four Stages of American Development — Federalism, Democracy, Imperialism, Expansion," April 20, 21, 26, 27.

Professor JAMES W. BRIGHT, of this University, on "The Authenticity of Poetry," April 25.

Professor DAVID M. ROBINSON, of this University, on "Ruined Cities of Asia Minor," May 2.

## PROCEEDINGS OF SOCIETIES

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### Philological Association:

*February 17, 1911.*—Two hundred and sixty-eighth regular meeting. Professor GILDERSLEEVE in the chair. Attendance, thirty-eight.

The Book of Joel. By P. HAUPT.

Report on the Final Revision of the Johns Hopkins Curse Tablets. By W. S. FOX.

*March 17, 1911.*—Two hundred and sixty-ninth regular meeting. Professor GILDERSLEEVE in the chair. Attendance, Mind, Will, and Understanding: A Study in the Philosophic Framework of an English Morality Play. By R. L. RAMSAY.

DR. SCHECHTER'S Recent Find. By W. ROSENAU.

### Scientific Association:

*February 15, 1911.*—The Carnegie Institution of Washington and its Work. President R. S. WOODWARD.

*March 2, 1911.*—Investigations in Osmotic Pressure. By H. N. MORSE.

The Growth of Tissues outside the Body. By W. H. LEWIS.

*March 23, 1911.*—A Study of the Climatic Factors of the United States with reference to Plants. By B. E. LIVINGSTON.

Electrical Methods of Studying Disturbances of the Heart. By G. S. BOND.

*March 24, 1911.*—Laws of Adsorption. By Professor SVANTE ARRHENIUS.

*April 5, 1911.*—The Antagonistic Salt Action. By Professor JACQUES LOEB.

### Historical and Political Science Association:

*February 15, 1911.*—The Preliminary Secession Movement of 1850. By Professor HERMAN V. AMES.

Sullivan's American Corporations. By A. B. MORTON.

Chailley's Administrative Problems of British India. By J. L. DONALDSON.

Bruce's Institutional History of Virginia in the Seventeenth Century. By P. S. FLIPPIN.

*March 15, 1911.*—Internal Waterways and Transportation in the United States. By DR. BURR JAMES RAMAGE.

Gettell's Introduction to Political Economy. By G. R. VEAZEY.

Spargo's Karl Marx. By G. M. JANES.

Morris's The Farnkpledge System. By A. C. DUDLEY.



## THE JOHNS HOPKINS PRESS OF BALTIMORE

- American Journal of Mathematics.** FRANK MORLEY, Editor. Quarterly. 4to. Volume XXXIII in progress. \$5 per volume. (Foreign postage, fifty cents.)
- American Chemical Journal.** IRA REMSEN, Editor. Monthly. 8vo. Volume LXV in progress. \$5 per year. (Foreign postage, fifty cents.)
- American Journal of Philology.** B. L. GILDERSLEEVE, Editor. Quarterly. 8vo. Volume XXXII in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Studies in Historical and Political Science.** Under the direction of the Departments of History, Political Economy, and Political Science. Monthly, 8vo. Volume XXIX in progress. \$3 per volume. (Foreign postage, fifty cents.)
- Contributions to Assyriology and Semitic Philology.** PAUL HAUPT and FRIEDRICH DELITZSCH, Editors. Volume VIII in progress.
- Memoirs from the Biological Laboratory.** Five volumes have appeared.
- Modern Language Notes.** Edited by E. C. ARMSTRONG, J. W. BRIGHT, H. COLLITZ, and C. C. MARDEN (Managing Editor). Eight times yearly. 4to. Volume XXVI in progress. \$1.50 per volume. (Foreign postage, twenty-five cents.)
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